STATUTES OF CALIFORNIA

1985–86

REGULAR SESSION

1986 CHAPTERS

CHAPTER 1

An act to repeal Section 25521 of the Health and Safety Code, relating to hazardous materials, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor February 3, 1986. Filed with Secretary of State February 3, 1986.]

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

SECTION 1. Section 25521 of the Health and Safety Code is repealed.

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

In order to eliminate a source of misinterpretation concerning requirements for local programs regulating hazardous materials, and to enable cities and counties to implement those programs at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 2

An act to amend Section 6140.5 of, and to add Sections 6086.1, 6140.1, 6140.2, and 6140.3 to, the Business and Professions Code, relating to the State Bar of California, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor February 4, 1986. Filed with Secretary of State February 4, 1986]

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

SECTION 1. Section 6086.1 is added to the Business and Professions Code, to read:

6086.1. Except as otherwise provided by law, hearings and records of original disciplinary proceedings in the State Bar Court shall be public, following a notice to show cause.

SEC. 2. Section 6140.1 is added to the Business and Professions Code, to read:

6140.1. (a) The board shall fix the annual membership fee for 1986 as follows:

(1) For active members who have been admitted to the practice of law in this state for three years or longer preceding the first day of February of the year for which the fee is payable, at the sum of one hundred eighty dollars ($180).

(2) For active members who have been admitted to the practice of law in this state for less than three years but more than one year preceding the first day of February of the year for which the fee is payable, at the sum of one hundred fifteen dollars ($115).

(3) For active members who have been admitted to the practice of law in this state for less than one year preceding the first day of February of the year for which the fee is payable, at the sum of one hundred dollars ($100).

(4) For inactive members, at the sum of twenty dollars ($20).

The fees authorized by this subdivision may be adjusted by the board to reflect any increase or decrease in the cost of living occurring after December 1984 and prior to the operative date of this section, not to exceed ten dollars ($10).

The fees authorized by this section are due and payable 60 days from the operative date of this section.

(b) In addition to the amount of the membership fee for 1986 equal to the amount of the membership fee for 1985 that was expended for discipline in 1985, twenty dollars ($20) of each fee received pursuant to paragraphs (1), (2), and (3) of subdivision (a) shall be expended on the disciplinary system.

(c) In 1986, the State Bar shall submit its budget for calendar year 1986 to the appropriate fiscal committees of each house of the Legislature for review and recommendation. Nothing in this subdivision shall be construed as having any effect on the period of time for which the annual budget of the State Bar is applicable.

(d) Commencing in 1986, the State Bar's proposed annual budget for the following year shall be submitted to the Legislature for review and approval as part of any bill that would authorize the imposition of membership dues for the following year. Approval of any such bill shall only require a majority vote.

SEC. 3. Section 6140.2 is added to the Business and Professions Code, to read:

6140.2. (a) On or before April 1, 1986, and June 1, 1986, the State Bar shall submit reports to the Judiciary Committees of the California State Senate and Assembly on the procedural changes and improvements which have been made in the State Bar disciplinary system and what effect these changes have had on the number of complaints pending, the time required to process these complaints, and the progress made in reducing the backlog of complaints.

(b) On or before December 31, 1987, the State Bar shall reduce by 80 percent the complaints within its inventory as of March 31, 1985, which have been received but have not resulted in dismissal, admonishment of the attorney involved, or filing of formal charges by State Bar Office of Trial Counsel. This reduction shall be accomplished by dismissal, admonishment of the attorney involved, or recommendation by the State Bar for disposition by the Supreme Court.

(c) The State Bar shall set as a goal by December 31, 1987, the improvement of its disciplinary system so that no more than six

months will elapse from the receipt of complaints to the time of dismissal, admonishment of the attorney involved, or the filing of formal charges by the State Bar Office of Trial Counsel.

SEC. 4. Section 6140.3 is added to the Business and Professions Code, to read:

6140.3. The board may increase the annual membership fee for 1986 fixed by subdivision (a) of Section 6140.1 by an additional amount, not to exceed ten dollars ($10), to be applied only to the cost of land and buildings used to conduct the operations of the State Bar. This additional fee shall not be used for capital expenditures but may only be used for the payment of interest on and the repayment of moneys borrowed for these purposes prior to the operative date of this section.

SEC. 5. Section 6140.5 of the Business and Professions Code is amended to read:

6140.5. (a) The board may establish and administer a Client Security Fund to relieve or mitigate pecuniary losses caused by the dishonest conduct of the active members of the State Bar. Any payments from the fund shall be discretionary and shall be subject to such regulation and conditions as the board shall prescribe. The board may delegate the administration of the fund to the State Bar Court, or to any board or committee created by the board of governors.

(b) Commencing January 1, 1972, the board may increase the annual membership fees fixed by it pursuant to Section 6140.1 by an additional amount per active member not to exceed ten dollars ($10) in any year, the additional amount to be applied only for the purposes of the fund and the costs of its administration, including, but not limited to, the costs of processing, determining, defending, or insuring claims against the fund.

SEC. 6. The Auditor General, with the cooperation of the Board of Governors of the State Bar, shall conduct a plebiscite of the members of the State Bar regarding the appropriate functions of the State Bar. Prior to submission of the plebiscite to members of the State Bar, the Auditor General shall submit the questions to be posed in the plebiscite to the chairperson and vice chairperson of the Senate and Assembly Committees on the Judiciary for their review and approval. The plebiscite shall be conducted by May 15, 1986. All costs of the plebiscite shall be borne by the State Bar.

No State Bar funds may be expended to make any communication to members of the State Bar concerning the issue posed in the plebiscite. As used in this section "communication" includes a statement contained in any publication funded in whole or in part by State Bar funds.

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

In order for the State Bar to continue to function, it is necessary that this act take effect at the earliest date possible.

CHAPTER 3

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

[Approved by Governor February 5, 1986. Filed with Secretary of State February 5, 1986.]

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

SECTION 1. Notwithstanding Sections 3525 and 10218 of the Elections Code, or any other provision of law, the measure set forth in Senate Constitutional Amendment No. 28 of the 1985–86 Regular Session, as chaptered by the Secretary of State, shall be submitted to the people of the State of California for their ratification at the direct primary election, to be held June 3, 1986. This measure shall be submitted to the voters in substantial accordance with provisions of the Government Code and Elections Code governing submission of statewide measures to the voters at a statewide election.

SEC. 2. This bill shall become operative only if Senate Constitutional Amendment No. 28 of the 1985–86 Regular Session is chaptered.

SEC. 3. This act shall remain in effect only until January 1, 1987, and shall have no force or effect on or after that date, unless a later enacted statute, which is enacted before January 1, 1987, deletes or extends that date.

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

In order that Senate Constitutional Amendment No. 28 of the 1985–86 Regular Session may be submitted to the voters at the 1986 direct primary election, it is necessary that this act take effect immediately.

CHAPTER 4

An act to amend Section 927 of, and to add and repeal Section 927.5 of, the Unemployment Insurance Code, relating to unemployment insurance, to take effect immediately, tax levy.

[Approved by Governor February 5, 1986. Filed with Secretary of State February 5, 1986.]

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

SECTION 1. Section 927 of the Unemployment Insurance Code

is amended to read:

927. "Wages" also means all tips which are received while performing services which constitute employment and included in a written statement furnished to the employer pursuant to Section 6053(a) of the Internal Revenue Code.

The changes in law made in this section by Chapter 1461 of the Statutes of 1985 shall apply with respect to wages earned on and after January 1, 1986, in conformity with the provisions of federal law.

SEC. 2. Section 927.5 is added to the Unemployment Insurance Code, to read:

927.5. (a) Notwithstanding Section 927, for the purposes of Part 2 (commencing with Section 2601) of this division only, "wages" shall also mean the amount of cash tips and cash gratuities received by a worker from persons other than his employer in the course of employment by an employer during any calendar month if the amount of the cash tips and cash gratuities is equal to or greater than twenty dollars ($20), and such tips and gratuities shall be treated as remuneration and wages paid by the employer to the worker.

(b) Each worker shall report to his or her employer in writing the amount of wages included in subdivision (a) on or before the 10th day of the calendar month following the calendar month in which they were received. The worker's statement required by Section 6053 of the Internal Revenue Code of 1954 may be used to satisfy the requirements of this subdivision.

(c) This section shall apply only with respect to wages earned before January 1, 1986. This section is repealed on January 1, 1987.

SEC. 3. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect.

CHAPTER 5

An act to add Chapter 3.7 (commencing with Section 5700) to Division 5 of the Public Resources Code, relating to financing of a program of acquiring, developing, improving, rehabilitating, or restoring real property for park, beach, recreational, and historical resources preservation purposes through the issuance and sale of bonds of the State of California and by providing for the handling and disposition of those funds, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor February 6, 1986. Filed with Secretary of State February 6, 1986]

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

SECTION 1. Chapter 3.7 (commencing with Section 5700) is added to Division 5 of the Public Resources Code, to read:

CHAPTER 3.7. COMMUNITY PARKLANDS ACT OF 1986

Article 1. General Provisions

5700. This chapter shall be known and may be cited as the Community Parklands Act of 1986.

5701. The Legislature hereby finds and declares as follows:

(a) It is the responsibility of the state to encourage, and assist in the provision of, better parks and enhanced recreational opportunities for all citizens of California.

(b) Community, neighborhood, and regional parks, beaches, recreational areas, recreational trails, and other recreational facilities, and the preservation of historic sites and structures contribute significantly to a healthy physical and moral environment and also contribute to the economic betterment of the state.

(c) Many older parks and recreational facilities have deteriorated to the point where the original investment in them may become lost, and prompt action is necessary to restore them to usefulness.

(d) Accordingly, it is in the public interest for the state to assist counties, cities, and districts in providing these facilities for the use and enjoyment of citizens they serve.

5702. As used in this chapter, the following terms have the following meanings:

(a) "District" means any regional park district formed pursuant to Article 3 (commencing with Section 5500) of Chapter 3 and any recreation and park district formed pursuant to Chapter 4 (commencing with Section 5780). With respect to any community which is not included within a regional park district or a recreation and park district and in which no city or county provides parks or recreational areas or facilities, "district" also means any other district which is authorized by statute to operate and manage parks or recreational areas or facilities, employs a full-time park and recreation director and offers year-round park and recreation services on lands and facilities owned by the district, and allocates a substantial portion of its annual operating budget to parks or recreation areas or facilities.

(b) "Fund" means the Community Parklands Fund.

(c) "Program" means the Community Parklands Program established by this chapter.

Article 2. Community Parklands Program

5710. (a) The proceeds of bonds issued and sold pursuant to this chapter shall be deposited in the Community Parklands Fund, which is hereby created.

(b) All money deposited in the fund shall be available for appropriation in the manner set forth in Section 5735 in an amount not to exceed one hundred million dollars ($100,000,000) for grants to counties, cities, and districts for the acquisition, development,

rehabilitation, or restoration of real property for park, beach, recreational, or historical resources preservation purposes.

5711. (a) The total amount proposed to be appropriated for the program shall be included in a section in the Budget Bill for the 1987–88 fiscal year and each succeeding fiscal year for consideration by the Legislature and shall bear the caption "Community Parklands Program."

(b) Commencing with the Budget Bill for the 1990–91 fiscal year, any grant funds which were not accepted by a recipient or were not encumbered by the recipient within the three-year period specified in Section 5721 or which were restored pursuant to subdivision (c) of Section 5723 shall be available for appropriation for one or more projects of the type specified in Section 5712 that the Legislature deems to be of the highest priority statewide.

(c) All appropriations are subject to all limitations enacted in the Budget Act and to all fiscal procedures prescribed by law with respect to the expenditure of state funds unless expressly exempted from those laws by a statute enacted by the Legislature. The section in the Budget Act shall contain proposed appropriations only for the program contemplated by this chapter, and no funds derived from the bonds authorized by this chapter may be expended pursuant to an appropriation not contained in that section of the Budget Act.

5712. The grant funds authorized for the program may be expended by the recipient for any of the following purposes or any combination thereof:

(a) The rehabilitation, improvement, or restoration of deteriorated roads, utilities, and other structures and facilities within existing parks and recreational areas.

(b) Neighborhood, community, and regional parks.

(c) Beaches and public accessways to beaches.

(d) Historical sites and structures.

(e) Recreational areas and facilities.

(f) Hiking, bicycling, and equestrian trails.

(g) Development rights and scenic easements in connection with any acquisition made for any purpose specified in subdivisions (b) to (f), inclusive, so long as the right or easement directly enhances the enjoyment or usefulness of the acquisition.

Article 3. Administration

5720. (a) The grant funds authorized for the program shall be allocated to counties, cities, and districts on the basis of their populations, as determined by the Department of Parks and Recreation in cooperation with the Department of Finance on the basis of the most recent verifiable census data and such other population data as the Department of Parks and Recreation may require to be furnished by any county, city, or district.

(b) Forty percent of the total funds available for grants shall be allocated to counties and regional park, open-space, or park and

open-space districts formed pursuant to Chapter 3 (commencing with Section 5500). Each county's allocation shall be in the same ratio as the county's population is to the state's total population, except that each county shall be entitled to a minimum allocation of one hundred thousand dollars ($100,000). In any county that embraces all or part of the territory of a regional park, open-space, or park and open-space district whose board of directors is not the county board of supervisors, the amount allocated to the county shall be apportioned between the county and the regional district in proportion to the population of the county that is included within the territory of the regional district and the population of the county that is outside the territory of the regional district.

(c) (1) Sixty percent of the total funds available for grants shall be allocated to cities and districts, other than regional park, open-space, or park and open-space districts. Each city's and each such district's allocation shall be in the same ratio as the city's or district's population is to the combined total of the state's population that is included in incorporated areas and in unincorporated areas within districts, except that each city or district shall be entitled to a minimum allocation of twenty thousand dollars ($20,000). In any instance in which the boundary of a city overlaps the boundary of a district, the population in the area of overlapping jurisdictions shall be attributed to each jurisdiction in proportion to the extent to which each operates and manages parks and recreational areas and facilities for that population. In any instance in which the boundary of a city overlaps the boundary of a district, and in the area of overlap the city does not operate and manage parks and recreational areas and facilities, all grant funds shall be allocated to the district.

(2) Each city and other district whose boundaries overlap, shall develop a specific plan for allocating the grant funds in accordance with the formula specified in paragraph (1). If, by October 1, 1986, the plan has not been agreed to by the affected jurisdictions and submitted to the Department of Parks and Recreation, the Director of Parks and Recreation shall determine the allocation of the grant funds among the affected jurisdictions.

5721. (a) Individual applications for grants shall be submitted to the department for approval as to conformity with the requirements of this chapter. The application shall be accompanied by certification from the planning agency of the applicant that the project for which the grant is applied is consistent with the park and recreation element of the applicable city or county's general plan or the district's park and recreation plan and will satisfy a high priority need. In order to utilize available grant funds as effectively as possible, overlapping or adjoining jurisdictions are encouraged to combine projects and submit a joint application.

(b) The minimum amount that the applicant may request for any individual project is twenty thousand dollars ($20,000).

(c) Every application shall comply with the California Environmental Quality Act (Division 13 (commencing with Section

21000)).

(d) Grants that are wholly or partially for the acquisition of real property shall be made on the basis of 75 percent state funds and 25 percent local matching funds or property donated to be part of the project. The grant recipient shall certify to the department that there is available, or will become available prior to the commencement of any work on the project, matching funds or property in the required amount from a nonstate source. Certification of the source and amount or value shall be set forth in the application.

(e) The director shall annually forward a statement of the total amount to be appropriated in each fiscal year for projects approved for grants to the Director of Finance for inclusion in the Budget Bill. The amount of grant funds to be allocated to each eligible jurisdiction shall be published in the Governor's Budget for the fiscal year in which the appropriation for those grants is to be made and, as soon as possible thereafter, a list of projects for which grants have been approved shall be made available by the department.

(f) Grant funds shall be encumbered by the recipient within three years of the date the appropriation became effective, regardless of the date when the project was approved by the department pursuant to this section.

5722. Grant funds may be expended for development, rehabilitation, or restoration only on lands owned by, or subject to a lease or other long-term interest held by, the applicant. If the lands are not owned by the applicant, the applicant shall first demonstrate to the satisfaction of the director that the development, rehabilitation, or restoration will provide benefits commensurate with the type and duration of interest in land held by the applicant. No grant funds may be expended for any purpose that is not directly related to the operation and management of parks and recreational areas and facilities.

5723. (a) No grant funds authorized by this chapter shall be disbursed until the applicant agrees that any property acquired or developed with those funds shall be used by the applicant only for the purpose for which the funds were requested and that no other use of the property shall be permitted except by specific act of the Legislature.

(b) No funds shall be disbursed unless the applicant agrees to maintain and operate the property to be acquired or developed for a period commensurate with the type of project and the proportion of state funds and local matching funds or property allocated to the capital costs of the project.

(c) No funds shall be disbursed unless the applicant agrees to make the property to be acquired or developed open to use by the public by a date specified in the agreement. That date shall not be more than three years after the date upon which the project was approved by the department pursuant to Section 5721. The department may grant a postponement of the specified date if the

property is not or will not be open to use by the public by the specified date due to circumstances wholly beyond the control of the applicant. If the property is not open to use by the public by the date specified in the agreement, and any postponement thereof granted by the department, the grant funds shall be restored in full to the department and the applicant shall become ineligible to receive any further funds that may become available pursuant to this chapter. Any funds restored pursuant to this section shall be deposited in the fund and shall be available for appropriation pursuant to subdivision (b) of Section 5711.

5724. Any grant made pursuant to this chapter, and the performance of the applicant in expending the grant, may be audited at any time by the department.

5725. Of the total funds available for appropriation pursuant to this chapter, an amount, not to exceed four hundred thousand dollars ($400,000), may be appropriated for state administrative costs directly incurred in connection with this chapter.

Article 4. Fiscal Provisions

5730. Bonds in the total amount of one hundred million dollars ($100,000,000), or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this chapter and to be used to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds shall, when sold, be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal of, and interest on, the bonds as the principal and interest become due and payable.

5731. There shall be collected each year and in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds maturing each year, and it is the duty of all officers charged by law with any duty in regard to the collection of the revenue to do and perform each and every act which shall be necessary to collect that additional sum.

5732. There is hereby appropriated from the General Fund, for the purpose of this chapter, an amount that will equal the total of the following:

(a) The sum annually necessary to pay the principal of, and interest on, bonds issued and sold pursuant to this chapter, as principal and interest become due and payable.

(b) The sum which is necessary to carry out the provisions of Section 5733, appropriated without regard to fiscal years.

5733. For the purposes of carrying out this article, the Director of Finance may, pursuant to appropriate authority in each annual Budget Act, authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of the unsold bonds

which have been authorized to be sold for the purpose of carrying out this chapter. Any amounts withdrawn shall be deposited in the fund. Any moneys made available under this section shall be returned to the General Fund from moneys received from the sale of bonds for the purpose of carrying out this chapter. The money withdrawn from the General Fund shall be returned to the General Fund with interest at the rate earned by the money in the Pooled Money Investment Account during the time the money was withdrawn from the General Fund pursuant to this section.

5734. The bonds authorized by this chapter shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), and all of the provisions of that law apply to the bonds and to this chapter and are hereby incorporated in this chapter as though set forth in full in this chapter.

5735. Solely for the purpose of authorizing the issuance and sale, pursuant to the State General Obligation Bond Law, of the bonds authorized by this chapter, the Community Parklands Program Finance Committee is hereby created. The committee consists of the Controller, the Director of Finance, and the Treasurer. For purposes of this chapter, the Community Parklands Program Finance Committee is "the committee" as that term is used in the State General Obligation Bond Law, and the Treasurer shall serve as chairperson of the committee.

5736. All money deposited in the fund which is derived from premium and accrued interest on bonds sold shall be reserved in the fund and shall be available for transfer to the General Fund as a credit to expenditures for bond interest.

5737. The Legislature hereby finds and declares that, inasmuch as the proceeds from the sale of bonds authorized by this chapter are not "proceeds of taxes" as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitations imposed by that article.

5738. If any provision of this chapter or the application thereof to any person or circumstance is held invalid, that invalidity shall not affect other provisions or applications of the chapter which can be given effect without the invalid provision or application, and to this end, the provisions of this chapter are severable.

SEC. 2. Section 1 of this act shall become operative on July 1, 1986, if the voters, at the June 3, 1986, direct primary election, adopt the Community Parklands Act of 1986, as set forth in Section 1 of this act; except that only the funds available for appropriation for state administrative costs pursuant to Section 5725 of the Public Resources Code may be appropriated prior to the 1987–88 fiscal year.

SEC. 3. Notwithstanding Section 3525 of the Elections Code, if this act is adopted by the Legislature on or before January 29, 1986, Section 1 of this act shall be submitted to the voters at the June 3, 1986, direct primary election in accordance with provisions of the

Government Code and the Elections Code governing submission of statewide measures to the voters at a statewide election.

SEC. 4. Notwithstanding any other provision of law, all ballots of the election shall have printed thereon and in a square thereof, the words "Community Parklands Act of 1986," and in the same square under those words, the following in eight-point type: "This act provides for a bond issue of one hundred million dollars ($100,000,000) to provide funds for acquiring, developing, improving, rehabilitating, or restoring urgently needed local and regional parks, beaches, recreational areas and facilities, and historical resources." Opposite the square, there shall be left spaces in which the voters may place a cross in the manner required by law to indicate whether they vote for or against the act.

Where the voting in the election is done by means of voting machines used pursuant to law in the manner that carries out the intent of this section, the use of the voting machines and the expression of the voters' choice by means thereof are in compliance with this section.

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

In order that the measure proposed by this act may be submitted to the voters at the June 3, 1986, direct primary election, it is necessary that this act take effect immediately.

CHAPTER 6

An act to add Chapter 6.1 (commencing with Section 13450) to Division 7 of the Water Code, relating to financing a program of aid to public agencies for water conservation, groundwater recharge, and drainage water management through the issuance and sale of bonds of the State of California and by providing for the handling and disposition of those funds, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor February 6, 1986. Filed with Secretary of State February 6, 1986]

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

SECTION 1. Chapter 6.1 (commencing with Section 13450) is added to Division 7 of the Water Code, to read:

CHAPTER 6.1. WATER CONSERVATION AND WATER QUALITY BOND LAW OF 1986

13450. This chapter shall be known and may be cited as the Water

Conservation and Water Quality Bond Law of 1986.

13451. The Legislature finds and declares all of the following:

(a) An abundant supply of clean water is essential to the public health, safety, and welfare.

(b) An abundant supply of clean water fosters the beauty of California's environment, the expansion of industry and agriculture, maintains fish and wildlife, and supports recreation.

(c) The state's growing population has increasing needs for clean water supplies and adequate treatment facilities.

(d) It is of paramount importance that the water resources of the state be protected from pollution and conserved, and that the groundwater basins of the state be recharged whenever possible to ensure continued economic, community, and social growth.

(e) The chief cause of water pollution is the discharge of inadequately treated waste into the waters of the state.

(f) Local agencies have the primary responsibility for the construction, operation, and maintenance of facilities to cleanse our waters, to conserve water, and recharge groundwater basins.

(g) Rising costs of construction have pushed the costs of constructing treatment facilities and facilities to conserve water and recharge groundwater basins beyond the ability of local agencies to pay.

(h) Because water knows no political boundaries, it is desirable for the state to contribute to the construction of these facilities in order to meet its obligations to protect and promote the health, safety, and welfare of its people and the environment.

(i) Voluntary, cost-effective capital outlay water conservation programs can help meet growing demand for clean and abundant water supplies.

(j) Recharge of groundwater basins is an effective way to maximize availability of scarce water supplies throughout the state.

(k) California's abundant streams, rivers, bays, estuaries, and groundwater are threatened with pollution from agricultural drainage water which could threaten public health and fish and wildlife resources and impede economic and social growth if left unchecked. Proper containment structures and treatment facilities could provide for the handling of agricultural drainage water in an environmentally sensitive manner.

(*l*) (1) It is the intent of this chapter to provide funds for the construction of cost-effective containment structures and treatment facilities for the treatment, storage and disposal of agricultural drainage water.

(2) It is the further intent of this chapter to provide funds for voluntary, cost-effective capital outlay water conservation programs and groundwater recharge facilities cooperatively carried out by local agencies and the department.

13452. As used in this chapter, and for purposes of this chapter, as used in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2

of the Government Code), the following words have the following meanings:

(a) "Board" means the State Water Resources Control Board.

(b) "Committee" means the Water Conservation and Water Quality Finance Committee created by Section 13454.

(c) "Department" means the Department of Water Resources.

(d) "Drainage water management units" mean land and facilities for the treatment, storage, or disposal of agricultural drainage water which, if discharged untreated, would pollute or threaten to pollute the waters of the state.

(1) Drainage water management units may include any of the following:

(A) A surface impoundment which is a natural topographic depression, artificial excavation, or diked area formed primarily of earthen materials, which is designed to hold an accumulation of drainage water, including, but not limited to, holding, storage, settling, and aeration pits, evaporation ponds, percolation ponds, other ponds, and lagoons. Surface impoundment does not include a landfill, a land farm, a pile, an emergency containment dike, tank, or injection well.

(B) Conveyance facilities to the treatment or storage site, including devices for flow regulation.

(C) Facilities or works to treat agricultural drainage water to remove or substantially reduce the level of constituents which pollute or threaten to pollute the waters of the state, including, but not limited to, processes utilizing ion exchange, desalting technologies like reverse osmosis, and biological treatment.

(D) An injection well.

(2) Any or all of the drain water management units, including the land under the unit, may consist of separable features, or an appropriate share of multipurpose features, of a larger system, or both.

(e) "Fund" means the 1986 Water Conservation and Water Quality Bond Fund.

(f) "Groundwater recharge facilities" mean land and facilities for artificial groundwater recharge through methods which include, but are not limited to, (1) percolation using basins, pits, ditches and furrows, modified streambed, flooding, and well injection or (2) in-lieu recharge. "Groundwater recharge facilities" also mean capital outlay expenditures to expand, renovate, or restructure land and facilities already in use for the purpose of groundwater recharge.

Groundwater recharge facilities may include any of the following:

(1) Instream facilities for regulation of water levels, but not regulation of streamflow by storage to accomplish diversion from the waterway.

(2) Agency-owned facilities for extraction.

(3) Conveyance facilities to the recharge site, including devices for flow regulation and measurement of recharge waters.

Any part or all of the project facilities, including the land under the

facilities, may consist of the separable features, or an appropriate share of multipurpose features, of a larger system, or both.

(g) "In-lieu recharge" means accomplishing increased storage of groundwater by providing interruptible surface water to a user who relies on groundwater as a primary supply, to accomplish groundwater storage through the direct use of that surface water in lieu of pumping groundwater. In-lieu recharge would be used rather than continuing pumping while artificially recharging with the interruptible surface waters. However, bond proceeds shall not be used to purchase surface water for use in lieu of pumping groundwater.

(h) "Local agency" or "agency" means any city, county, district, joint powers authority, or other political subdivision of the state involved with water management.

(i) "Project" means all of the following:

(1) Groundwater recharge facilities.

(2) Voluntary, cost-effective capital outlay water conservation programs.

(3) Drainage water management units.

(j) "Voluntary, cost-effective capital outlay water conservation programs" mean those feasible capital outlay measures to improve the efficiency of water use through benefits which exceed their costs. The programs include, but are not limited to, lining or piping of ditches; improvements in water distribution system controls such as automated canal control, construction of small reservoirs within distribution systems which conserve water that has already been captured for use, and related physical improvements; tailwater pumpback recovery systems; major improvements or replacements of distribution systems to reduce leakage; and capital changes in on-farm irrigation systems which improve irrigation efficiency such as sprinkler or subsurface drip. In each case, the department shall determine that there is a net savings of water as a result of each proposed project and that the project is cost effective.

13453. There is hereby created the 1986 Water Conservation and Water Quality Bond Fund in the State Treasury. There shall be established in the fund a Water Conservation and Groundwater Recharge Account for the purpose of implementing Section 13458, and an Agricultural Drainage Water Account for the purpose of implementing Section 13459.

13454. (a) There is a Water Conservation and Water Quality Finance Committee consisting of the Governor or the Governor's designated representative, the Controller, the Treasurer, the Director of Finance, the Director of the Department of Water Resources, and the Executive Director of the State Water Resources Control Board.

(b) The Water Conservation and Water Quality Finance Committee is the "committee" as that term is used in the State General Obligation Bond Law.

13455. (a) The committee may create a debt or debts, liability or

liabilities, of the State of California in the aggregate amount of one hundred fifty million dollars ($150,000,000), in the manner provided in this chapter. The debt or debts, liability or liabilities, shall be created for the purpose of providing the fund to be used for the object and work specified in this section and in Sections 13458 and 13459.

(b) The department may enter into contracts and may adopt rules and regulations necessary to carry out the purposes of Section 13458.

(c) The department may expend not more than 2½ percent of the total amount of the bonds authorized to be issued under this chapter for the administration of Section 13458.

(d) The board may enter into contracts and may adopt rules and regulations necessary to carry out the purposes of Section 13459.

(e) The board may expend not more than 2½ percent of the total amount of the bonds authorized to be issued under this chapter for the administration of Section 13459.

(f) The department or the board may expend funds necessary to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code.

13456. All bonds which have been duly sold and delivered constitute valid and legally binding general obligations of the State of California, and the full faith and credit of the State of California is pledged for the punctual payment of both principal and interest.

There shall be collected annually in the same manner, and at the same time as other state revenue is collected, the amount, in addition to the ordinary revenues of the state, required to pay the principal of, and interest on, the bonds. It is the duty of all officers charged by law with any duty in regard to the collection of that revenue to perform each and every act which is necessary to collect this additional amount.

All money deposited in the fund which has been derived from premium and accrued interest on bonds sold is available for transfer to the General Fund as a credit to expenditures for bond interest.

13457. The State General Obligation Bond Law is adopted for the purpose of the issuance, sale, and repayment of, and other matters with respect to, the bonds authorized by this chapter. The provisions of that law are included in this chapter as though set out in full in this chapter, except that, notwithstanding any provision in the State General Obligation Bond Law, the bonds authorized under this chapter shall bear the rates of interest, or maximum rates, fixed from time to time by the Treasurer with the approval of the committee. The maximum maturity of the bonds shall not exceed 50 years from the date of the bonds or from the date of each respective series. The maturity of each respective series shall be calculated from the date of the series.

13458. (a) The sum of seventy-five million dollars ($75,000,000) of the money in the fund shall be deposited in the Water Conservation and Groundwater Recharge Account and, notwithstanding Section 13340 of the Government Code, is

appropriated for expenditure in the 1986–87 fiscal year for loans to local agencies to aid in the acquisition and construction of voluntary, cost-effective capital outlay water conservation programs and groundwater recharge facilities and the purposes set forth in this section. Loans made in the 1986–87 fiscal year may not be authorized sooner than 30 days after notification in writing of the necessity therefor to the chairperson of the committee in each house which considers appropriations, to the policy committee of the Assembly as designated by the Speaker of the Assembly and the policy committee of the Senate designated by the Senate Rules Committee, and the Chairperson of the Joint Legislative Budget Committee.

(b) Any contract entered into pursuant to this section may include provisions as may be determined by the department. However, any contract concerning an eligible, voluntary, cost-effective capital outlay water conservation program shall be supported by or shall include, in substance, all of the following:

(1) An estimate of the reasonable cost and benefit of the program.

(2) An agreement by the local agency to proceed expeditiously with, and complete, the program.

(3) A provision that there shall be no moratorium or deferment on payments of principal or interest.

(4) A loan period of up to 20 years with an interest rate set annually by the department at 50 percent of the interest rate computed by the true interest cost method on bonds most recently issued pursuant to this chapter. The interest rate set for each contract shall be applied throughout the contract's repayment period. There shall be a level annual repayment of principal and interest on the loans.

(5) A provision that the project shall not receive any more than five million dollars ($5,000,000) in loan proceeds from the department.

The department shall set priority for loans under this subdivision on the basis of the cost effectiveness of the proposed project, with the most cost-effective projects receiving the highest priorities.

(c) Any contract concerning an eligible project for groundwater recharge shall be supported by or shall include, in substance, all of the following:

(1) A finding by the department that the agency has the ability to repay the requested loan, that the project is economically justified, and that the project is feasible from an engineering and hydrogeologic viewpoint.

(2) An estimate of the reasonable cost and benefit of the project, including a feasibility report which shall set forth the economic justification and the engineering, hydrogeologic, and financial feasibility of the project, and shall include explanations of the proposed facilities and their relation to other water-related facilities in the basin or region.

(3) An agreement by the agency to proceed expeditiously to complete the project in conformance with the approved plans and

specifications and the feasibility report and to operate and maintain the project properly upon completion throughout the repayment period.

(4) A provision that there shall be no moratorium or deferment on payment of principal or interest.

(5) A loan period of up to 20 years with an interest rate set annually by the department at 50 percent of the interest rate computed by the true interest cost method on bonds most recently issued pursuant to this chapter. The interest rate set for each contract shall be applied throughout the contract's repayment period. There shall be a level annual repayment of principal and interest on the loans.

(6) A provision that the project shall not receive any more than five million dollars ($5,000,000) in loan proceeds from the department.

The department shall give priority under this subdivision to projects of agencies located in overdrafted groundwater basins and those projects of critical need, to projects whose feasibility studies show the greatest economic justification and the greatest engineering and hydrogeologic feasibility as determined by the department, and to projects located in areas which have existing water management programs.

(d) The department may make loans to local agencies, at the interest rates authorized under this section and under any terms and conditions as may be determined necessary by the department, for the purposes of financing feasibility studies of projects potentially eligible for funding under this section. No single potential project shall be eligible to receive more than one hundred thousand dollars ($100,000), and not more than 3 percent of the total amount of bonds authorized to be expended for purposes of this section may be expended for this purpose. A loan for a feasibility study shall not decrease the maximum amount of any other loan which may be made under this section.

13459. (a) The sum of seventy-five million dollars ($75,000,000) of the money in the fund shall be deposited in the Agricultural Drainage Water Account is appropriated for expenditure in the 1986–87 fiscal year for loans to agencies to aid in the construction of drainage water management units for the treatment, storage, or disposal of agricultural drainage water and the purposes set forth in this section. The board may loan an agency up to 100 percent of the total eligible costs of design and construction of an eligible project. Loans made in the 1986–87 fiscal year may not be authorized sooner than 30 days after notification in writing of the necessity therefor to the chairperson of the committee in each house which considers appropriations, to the policy committee of the Assembly as designated by the Speaker of the Assembly and the policy committee of the Senate designated by the Senate Rules Committee, and the Chairperson of the Joint Legislative Budget Committee.

(b) Any contract for an eligible project entered into pursuant to

this section may include such provisions as determined by the board and shall include, in substance, all of the following provisions:

(1) An estimate of the reasonable cost of the eligible project.

(2) An agreement by the agency to proceed expeditiously with, and complete, the eligible project; commence operation of the containment structures or treatment works upon completion and to properly operate and maintain the works in accordance with applicable provisions of law; provide for payment of the agency's share of the cost of the project, including principal and interest on any state loan made pursuant to this section; and, if appropriate, apply for and make reasonable efforts to secure federal assistance for the state-assisted project.

(c) All loans pursuant to this section are subject to all of the following provisions:

(1) Agencies seeking a loan shall demonstrate, to the satisfaction of the board, that an adequate opportunity for public participation regarding the loan has been provided.

(2) Any election held with respect to the loan shall include the entire agency except where the agency proposes to accept the loan on behalf of a specified portion, or portions, of the agency, in which case the referendum shall be held in that portion or portions of the agency only.

(3) Loan contracts may not provide a moratorium on payment of principal or interest.

(4) Loans shall be for a period of up to 20 years with an interest rate set annually by the board at 50 percent of the interest rate computed by the true interest cost method on bonds most recently issued pursuant to this chapter. The interest rate set for each contract shall be applied throughout the contract's repayment period. There shall be a level annual repayment of principal and interest on loans.

(5) The board in considering eligible projects shall give preference to technologies which treat drainage water where the board finds that the technology is readily available and economically feasible for the agency.

(6) No single project may receive more than twenty million dollars ($20,000,000) in loan proceeds from the board.

(d) The board may make loans to local agencies, at the interest rates authorized under this section and under any terms and conditions as may be determined necessary by the board, for purposes of financing feasibility studies of projects potentially eligible for funding under this section. No single potential project shall be eligible to receive more than one hundred thousand dollars ($100,000), and not more than 3 percent of the total amount of bonds authorized to be expended for purposes of this section may be expended for this purpose. A loan for a feasibility study shall not decrease the maximum amount of any other loan which may be made under this section.

13460. Money deposited in the fund pursuant to any provision of law requiring repayments to the state for assistance financed by the

proceeds of the bonds authorized by this chapter shall be available for transfer to the General Fund as a reimbursement for payment of bond principal and interest.

13461. There is hereby appropriated from the General Fund, for the purpose of this chapter, an amount equal to the sum of the following:

(a) The amount necessary annually to pay the principal of, and the interest on, the bonds issued and sold pursuant to this chapter, as the principal and interest become due and payable.

(b) The amount necessary to carry out Section 13462, which is appropriated without regard to fiscal years.

13462. For the purpose of carrying out this chapter, the Director of Finance may, by executive order, authorize the withdrawal from the General Fund of amounts not to exceed the amount of the unsold bonds which the committee has authorized to be sold for the purpose of carrying out this chapter.

The amounts withdrawn shall be deposited in the fund and shall be disbursed by the department or the board in accordance with this chapter. Any money made available under this section to the department or the board shall be returned to the General Fund from money received from the sale of bonds. The withdrawals from the General Fund shall be returned to the General Fund with interest at the rate which would have otherwise been earned by those withdrawals in the Pooled Money Investment Fund.

13463. Upon request of the department or the board, the committee shall determine whether or not it is necessary or desirable to issue bonds authorized under this chapter.

13464. The committee may authorize the Treasurer to sell all, or any part, of the bonds at times fixed by the Treasurer.

13465. Notwithstanding Sections 13458 and 13459, the committee may proscribe further terms and conditions for loan contracts to authorize a deferment on payment of all or part of the principal.

13466. For the 1987–88 fiscal year and each year thereafter, a loan may be made by the department or the board only upon the specific approval of the Legislature, by an act enacted after the receipt of a report filed pursuant to Section 13467.

13467. (a) The department shall annually submit a report to the Legislature on the status of the loan program authorized under Section 13458, including a prioritized list of projects eligible for funding, and the need for financial assistance for voluntary, cost-effective capital outlay water conservation programs and groundwater recharge facilities.

(b) The board shall annually submit a report to the Legislature on the status of the loan program authorized under Section 13459, including a prioritized list of projects eligible for funding, and the status of agricultural drainage problems on a statewide basis.

13468. It is the intent of language in Section 13998.8(i)(3), Section 13999.10(d), and Section 13999.11(d) of the Water Code which was enacted by the voters in the Clean Water Bond Law of

1984 that "the average interest rate paid by the state on general obligation bonds in the calendar year immediately preceding the year in which the loan agreement is made" means the interest rate computed by the true interest cost method on the bonds most recently issued pursuant to the Clean Water Bond Law of 1984.

13469. If any provision of this chapter or the application thereof to any person or circumstance is held invalid, that invalidity shall not affect other provisions or applications of the chapter which can be given effect without the invalid provision or application, and to this end the provisions of this chapter are severable.

SEC. 2. Section 1 of this act shall take effect upon the adoption by the voters of the Water Conservation and Water Quality Bond Law of 1986, as set forth in Section 1 of this act.

SEC. 3. Notwithstanding Section 3525 of the Elections Code, Section 1 of this act shall be submitted to the voters at the June 3, 1986, direct primary election in accordance with the provisions of the Government Code governing the submission of statewide measures to the voters at a statewide election and shall become operative upon the adoption of the measure.

SEC. 4. The requirement of Section 3572 of the Elections Code that the analysis of the measure by the Legislative Analyst be submitted to a committee of five persons shall not apply to the measure set forth in Section 1 of this act.

SEC. 5. Notwithstanding any other provision of law, all ballots of the election shall have printed thereon and in a square thereof, the words: "Water Conservation and Water Quality Bond Law of 1986," and in the same square under those words, the following in 8-point type: "This act provides for a bond issue of one hundred fifty million dollars ($150,000,000) to provide funds for water conservation, groundwater recharge, and drainage water management, and clarifies language in the Clean Water Bond Law of 1984." Opposite the square, there shall be left spaces in which the voters may place a cross in the manner required by law to indicate whether they vote for or against the act.

Where the voting in the election is done by means of voting machines used pursuant to law in the manner that carries out the intent of this section, the use of the voting machines and the expression of the voters' choice by means thereof are in compliance with this section.

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

In order for the Water Conservation and Water Quality Bond Law of 1986 to be submitted to the voters at the June 3, 1986, direct primary election so that vitally needed water conservation, groundwater recharge, and drainage projects may be undertaken at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 7

An act to amend Section 56830 of the Education Code, relating to education, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor February 14, 1986. Filed with Secretary of State February 18, 1986]

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

SECTION 1. Section 56830 of the Education Code is amended to read:

56830. (a) The Legislature hereby finds and declares that, since the 1980–81 fiscal year, there have been significant annual deficiencies in special education funding that have created fiscal hardships for many school districts and county offices of education and adversely impacted the quality of services to many individuals with exceptional needs, in abrogation of the objectives set forth in Section 56000.

(b) It is the intent of the Legislature that the sum of at least fifty-five million dollars ($55,000,000) be appropriated in the Budget Act for the 1986–87 fiscal year, and at least one hundred fifteen million dollars ($115,000,000) be appropriated in the Budget Act for the 1987–88 fiscal year, in excess of the appropriations and cost-of-living adjustments for the 1985–86 fiscal year, to support programs for individuals with exceptional needs.

(1) Priority for appropriation of these funds in the 1986–87 fiscal year shall be accorded to programs that directly improve special education program quality, including, but not limited to, the restoration of instructional aide time in special day classes for nonseverely handicapped students, and in the resource specialist program to the level originally required by this part; further expansion of infant services and vocational programs; growth in low incidence funds; and additional growth in the number of instructional personnel service units.

(2) Based on the cost accounting information produced pursuant to Section 56730.5, consideration shall also be given in the 1987–88 fiscal year to revision of support services ratios, funding of the local general fund contribution computed pursuant to Section 56751 or 56753, and the expansion of low incidence funding to include specialized services, as appropriate, in addition to specialized materials and equipment.

SEC. 2. In addition to the appropriation made pursuant to Provision 4 of Item 6100-161-001 of Chapter 111 of the Statutes of 1985, there is hereby appropriated from the General Fund to Section A of the State School Fund five million dollars ($5,000,000) for special education program growth pursuant to Section 56728.6 of the Education Code.

This appropriation shall be in augmentation of Item 6100-161-001 of the Budget Act of 1985.

SEC. 3. It is the intent of the Legislature that the funds appropriated in Section 2 of this act shall be considered an advance allocation on the funds appropriated in the Budget Act for the 1986–87 fiscal year pursuant to subdivision (b) of Section 56830 of the Education Code, as added by Chapters 115 and 1603, Statutes of 1985. It is understood that continued funding for instructional personnel service units funded in 1985–86 by this advance allocation must be provided from the remaining allocation in the 1986–87 Budget Act.

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

In order to provide relief to local educational agencies that are faced with the critical need for additional classes for handicapped pupils this school year, it is necessary that this act take effect immediately.

SEC. 5. Regardless of when this act becomes effective, it is the intent of the Legislature to make changes in state apportionments to school districts and county superintendents of schools for the entire 1985–86 fiscal year. For the purpose of implementing the changes required by this act, the Superintendent of Public Instruction and other public officers shall take all necessary steps to effect the required adjustment, including the authority to adjust allowance computations, apportionments, and disbursements ordered from Section A of the State School Fund and other public funds.

CHAPTER 8

An act to amend Section 3312 of, to add Sections 3332.5, 3335, and 3336 to, and to add and repeal Section 3337 of, the Food and Agricultural Code, relating to the California Exposition and State Fair, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor February 25, 1986 Filed with Secretary of State February 25, 1986]

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

SECTION 1. Section 3312 of the Food and Agricultural Code is amended to read:

3312. (a) The governing body of the California Exposition and State Fair shall be an 11-member board of directors. The directors shall be residents of California and shall be appointed as follows:

(1) Nine directors shall be appointed by the Governor with the consent of the Senate. The directors appointed by the Governor shall

have general knowledge of, interest in, and expertise in one or more of the following areas: fair management, city or county government, horseracing, the arts, exhibiting, the media, education, youth, commerce and commercial products of the state, industry and industrial products of the state, agricultural production and forest industries, the entertainment industry, livestock and poultry, sports, recreation, fisheries, oceanography, organized labor, and finance and banking.

(A) Five of the directors appointed by the Governor shall be knowledgeable in the production, processing, or marketing of agricultural products and may be appointed from lists of nominees submitted for consideration to the Governor from California agricultural organizations, district agricultural associations, and county and citrus fruit fairs.

(B) One of the directors appointed by the Governor shall be a public member.

(C) Three of the directors appointed by the Governor shall be representative, to the extent possible, of areas of knowledge, interest, and expertise enumerated in paragraph (1).

(2) One director shall be appointed by the Speaker of the Assembly and one director shall be appointed by the Senate Committee on Rules. These persons shall be representative, to the extent possible, of areas of knowledge, interest, and expertise enumerated in paragraph (1).

(b) The directors shall be appointed for four-year terms. The appointing authority shall appoint directors to fill vacancies which occur during a term, and the appointments shall be for the remainder of the unexpired term. Of the four vacancies that will occur on December 31, 1986, two of the vacancies shall be filled by persons appointed pursuant to paragraph (2) of subdivision (a).

SEC. 1.5. Section 3332.5 is added to the Food and Agricultural Code, to read:

3332.5. If the board at any time sends out a request for proposal that could result in an agreement between the board and another party on any matter for a term in excess of 20 years, a copy of that request for proposal shall be sent to the Assembly Committee on Rules and the Senate Committee on Rules at the time at which the request is sent to prospective bidders.

SEC. 2. Section 3335 is added to the Food and Agricultural Code, to read:

3335. The California Exposition and State Fair Enterprise Fund is hereby created in the State Treasury. All funds received by the California Exposition and State Fair shall be deposited in the fund and remain in the fund until expended by the California Exposition and State Fair.

SEC. 3. Section 3336 is added to the Food and Agricultural Code, to read:

3336. The Department of Finance shall clearly indicate in the annual budget narrative and display the amount of any funds from

the California Exposition and State Fair which are transferred to the General Fund, and the amount of any General Fund money which is appropriated to the California Exposition and State Fair in excess of these funds, so that any General Fund subsidy or excess funds transferred to the General Fund are specifically identified.

SEC. 4. Section 3337 is added to the Food and Agricultural Code, to read:

3337. The Auditor General shall prepare an annual report on the fiscal status of the California Exposition and State Fair.

This section shall remain in effect only until January 1, 1991, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1991, deletes or extends that date.

SEC. 5. The sum of eight hundred thousand dollars ($800,000) is hereby transferred from the General Fund to the California Exposition and State Fair Enterprise Fund for expenditure during the 1985–86 fiscal year.

SEC. 6. (a) The Controller shall transfer, after January 1, 1986, from the General Fund to the California Exposition and State Fair Enterprise Fund all operating funds received by the California Exposition and State Fair from July 1, 1985, through the effective date of the creation of the California Exposition and State Fair Enterprise Fund, that the Director of Finance determines are in excess of six million eight hundred sixty-eight thousand dollars ($6,868,000).

(b) Any update of a master plan for the California Exposition and State Fair shall include a study of the feasibility of establishing an equestrian center at the facility.

(c) The California Exposition and State Fair shall study the feasibility of reinstating the county exhibits program at the state fair.

SEC. 7. The funds in the California Exposition and State Fair Enterprise Fund are hereby appropriated for encumbrance by the California Exposition and State Fair only during the 1985–86 fiscal year. It is the intent of the Legislature that, commencing with the 1986–87 fiscal year, the California Exposition and State Fair Enterprise Fund shall be subject to legislative review and appropriation through the annual Budget Act.

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

In order to ensure the ongoing continuity and operation of the California Exposition and State Fair, it is necessary that this act take effect immediately.

CHAPTER 9

An act to amend Sections 1352, 1353, and 1367 of, and to repeal Section 1368 of, the Civil Code, and to amend Section 374 of the Code of Civil Procedure, relating to real property, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor February 25, 1986 Filed with Secretary of State February 25, 1986]

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

SECTION 1. Section 1352 of the Civil Code is amended to read:

1352. This title applies and a common interest development is created whenever a separate interest coupled with an interest in the common area or membership in the association is, or has been, conveyed, provided, all of the following are recorded:

(a) A declaration.

(b) A condominium plan, if any exists.

(c) A final map or parcel map, if Division 2 (commencing with Section 66410) of Title 7 of the Government Code requires the recording of either a final map or parcel map for the common interest development.

SEC. 2. Section 1353 of the Civil Code is amended to read:

1353. (a) A declaration, recorded on or after January 1, 1986, shall contain a legal description of the common interest development, and a statement that the common interest development is a community apartment project, condominium project, planned development, stock cooperative, or combination thereof. The declaration shall additionally set forth the name of the association and the restrictions on the use or enjoyment of any portion of the common interest development that are intended to be enforceable equitable servitudes.

(b) The declaration may contain any other matters the original signator of the declaration or the owners consider appropriate.

SEC. 3. Section 1367 of the Civil Code is amended to read:

1367. (a) A regular or special assessment and any late charges, reasonable costs of collection, and interest, as assessed in accordance with Section 1366, shall be a debt of the owner of the separate interest at the time the assessment or other sums are levied.

(b) The amount of the assessment, plus any costs of collection, late charges, and interest assessed in accordance with Section 1366, shall be a lien on the owner's interest in the common interest development from and after the time the association causes to be recorded with the county recorder of the county in which the separate interest is located, a notice of delinquent assessment, which shall state the amount of the assessment and other sums imposed in accordance with Section 1366, a description of the owner's interest in the common interest development against which the assessment

and other sums are levied, the name of the record owner of the owner's interest in the common interest development against which the lien is imposed, and, in order for the lien to be enforced by nonjudicial foreclosure as provided in subdivision (d) the name and address of the trustee authorized by the association to enforce the lien by sale. The notice of delinquent assessment shall be signed by the person designated in the declaration or by the association for that purpose, or if no one is designated, by the president of the association. Upon payment of the sums specified in the notice of delinquent assessment, the association shall cause to be recorded a further notice stating the satisfaction and release of the lien thereof.

(c) A lien created pursuant to subdivision (b) shall be prior to all other liens recorded subsequent to the notice of assessment, except that the declaration may provide for the subordination thereof to any other liens and encumbrances.

(d) A lien created pursuant to subdivision (b) may be enforced in any manner permitted by law, including sale by the court, sale by the trustee designated in the notice of delinquent assessment, or sale by a trustee substituted pursuant to Section 2934a. Any sale by the trustee shall be conducted in accordance with the provisions of Sections 2924, 2924b, and 2924c applicable to the exercise of powers of sale in mortgages and deeds of trusts.

(e) Nothing in this section or in subdivision (a) of Section 726 of the Code of Civil Procedure prohibits actions against the owner of a separate interest to recover sums for which a lien is created pursuant to this section or prohibits an association from taking a deed in lieu of foreclosure.

(f) This section only applies to liens recorded on or after January 1, 1986.

SEC. 4. Section 1368 of the Civil Code, as added by Chapter 1003 of the Statutes of 1985, is repealed.

SEC. 5. Section 1368 of the Civil Code, as added by Section 4 of Chapter 1505 of the Statutes of 1985, is repealed.

SEC. 6. Section 374 of the Code of Civil Procedure is amended to read:

374. An association established to manage a common interest development shall have standing to institute, defend, settle, or intervene in litigation, arbitration, mediation, or administrative proceedings in its own name as the real party in interest and without joining with it the individual owners of the common interest development, in matters pertaining to the following:

(a) Enforcement of the governing documents.

(b) Damage to the common areas.

(c) Damage to the separate interests which the association is obligated to maintain or repair.

(d) Damage to the separate interests which arises out of, or is integrally related to, damage to the common areas or separate interests that the association is obligated to maintain or repair.

SEC. 7. This act is an urgency statute necessary for the

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

In order to clarify the application of Chapter 874 of the Statutes of 1985 and related statutes, it is necessary for this bill to take effect immediately.

CHAPTER 10

An act to amend Section 273.6 of the Penal Code, relating to crimes, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor February 28, 1986. Filed with Secretary of State February 28, 1986]

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

SECTION 1. Section 273.6 of the Penal Code is amended to read:

273.6. (a) Any willful and knowing violation of any of the the court orders set forth in this subdivision, when obtained pursuant to Section 4359, 4458, 4516, 7020, or 7021 of the Civil Code, Section 527.6 of the Code of Civil Procedure, or Chapter 4 (commencing with Section 540) of Title 7 of Part 2 of the Code of Civil Procedure shall be a misdemeanor punishable by a fine of not more than one thousand dollars ($1,000), or by imprisonment in the county jail for not more than 6 months or by both the fine and imprisonment.

(b) In the event of a violation of subdivision (a) which results in a physical injury, the person shall be imprisoned in the county jail for at least 48 hours, whether a fine or imprisonment is imposed, or the sentence is suspended.

(c) Subdivisions (a) and (b) shall apply to the following court orders:

(1) An order enjoining any party from molesting, attacking, striking, threatening, sexually assaulting, battering, harassing, or disturbing the peace of the other party, or other named family and household members.

(2) An order excluding one party from the family dwelling or from the dwelling of the other.

(3) An order enjoining a party from specified behavior which the court determined was necessary to effectuate the orders under subdivision (a) or (d).

(d) Any person who willfully and knowingly violates an order obtained pursuant to Section 527.6 of the Code of Civil Procedure shall be punishable as provided in subdivision (a). However, a person who has previously been convicted one or more times of violating an order obtained pursuant to Section 527.6 of the Code of Civil Procedure upon charges separately brought and tried, shall be

imprisoned in the county jail for not more than one year. Subject to the discretion of the court, the prosecution shall have the opportunity to present witnesses and relevant evidence at the time of the sentencing of a defendant pursuant to this subdivision.

(e) The prosecuting agency of each county shall have the primary responsibility for the enforcement of orders issued pursuant to the provisions listed in subdivisions (a), (b), and (d).

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

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

In order to authorize at the earliest possible time, the imposition of misdemeanor criminal penalties for a violation of Section 273.6 of the Penal Code, regardless of whether or not a violation of a court order under specified provisions of current law results in an injury, it is necessary that this act take effect immediately.

CHAPTER 11

An act to amend Sections 42290 and 42291 of the Education Code, relating to school transportation, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 3, 1986 Filed with Secretary of State March 3, 1986]

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

SECTION 1. Section 42290 of the Education Code is amended to read:

42290. (a) Any school district or county office of education with an average daily attendance of less than 2,501 in any fiscal year may, in that fiscal year, apply to the State Department of Education for an apportionment for transportation equipment, as specified in Section 42291.

(b) The State Department of Education shall adopt regulations regarding district or county office applications pursuant to this section.

SEC. 2. Section 42291 of the Education Code is amended to read:

42291. (a) The State Department of Education shall grant applications for apportionments for purposes of this article, to the extent that funds are available, according to the following priorities:

(1) First priority for apportionments shall be for the purchase of new schoolbuses to replace existing schoolbuses owned by an eligible district or county office that do not conform to federal safety standards.

(2) Second priority for apportionments shall be for the reconditioning of existing schoolbuses owned by an eligible district or county office. For purposes of this paragraph, "reconditioning" includes, but is not limited to, retrofitting schoolbuses to conform to the federal Motor Vehicle Safety Standard 222 relating to schoolbus passenger seating and crash protection requirements.

(3) Any remaining funds shall be apportioned for the purchase of new schoolbuses by eligible districts and county offices which have proposed to increase the number of schoolbuses owned by the district or county office.

(b) The governing board of any school district or county office of education with an average attendance of less than 2,501 in the current fiscal year shall be eligible to receive apportionments under this section for the replacement of schoolbuses with new schoolbuses.

(c) The State Department of Education shall develop priority categories for funding under this section which are based solely on vehicle age and mileage. Seventy-five percent of the funds available in any fiscal year for the purposes of this section shall be distributed to school districts and county offices of education based upon priority categories which utilize only vehicle age, mileage, and type of vehicle. Twenty-five percent of the funds available in any fiscal year for purposes of this section shall be allocated based upon the condition of the vehicles to be replaced. School districts and county offices of education shall submit as evidence of the condition of the vehicle to be replaced, the most recent California Highway Patrol inspection report, a repair estimate made by an independent repair shop, and any other information requested by the department.

(d) The State Department of Education shall estimate the cost of a replacement vehicle of the same capacity as the vehicle being replaced. A school district's or county office of education's entitlement shall equal the department's estimated cost. A district or county office may use additional district or county office funds to purchase a schoolbus which is more expensive than the model used by the department to estimate the cost.

(e) Funds allocated pursuant to this section shall not be used to purchase a vehicle which does not meet the schoolbus passenger seating and crash protection requirements of the federal Motor Vehicle Safety Standard 222.

SEC. 3. The sum of three hundred thousand dollars ($300,000) is hereby appropriated from the Driver Training Penalty Assessment Fund to the California Highway Patrol to fund an engineering study and economic analysis of minimum standards for schoolbus replacement, reconditioning, inspection, and preventive maintenance. The study shall be administered by the California Highway Patrol, with the assistance and cooperation of the State

Department of Education. The purpose of the study is to develop information that may be used by the State Department of Education to identify schoolbuses which are suitable for retrofitting to 1977 federal safety standards, and to improve the allocation of funds pursuant to Article 4.5 (commencing with Section 42290) of Chapter 7 of Part 24 of the Education Code, to improve the effectiveness of bus inspections by the California Highway Patrol, and to improve schoolbus maintenance programs by school districts. The study shall identify the maintenance problems associated with various types and classes of schoolbuses and shall develop guidelines to assist school districts in making the most cost-effective use of their maintenance resources. The study shall be contracted through a request for the proposal process.

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

In order to authorize eligible school districts and county offices of education to receive apportionments for the acquisition of schoolbuses pursuant to the requirements of this act at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 12

An act to add Title 4.7 (commencing with Section 4475) to Part 3 of the Penal Code, relating to correctional institutions, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 3, 1986. Filed with Secretary of State March 3, 1986]

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

SECTION 1. Title 4.7 (commencing with Section 4475) is added to Part 3 of the Penal Code, to read:

TITLE 4.7. COUNTY CORRECTIONAL FACILITY CAPITAL EXPENDITURE BOND ACT OF 1986

CHAPTER 1. FINDINGS AND DECLARATIONS

4475. This title shall be known and may be cited as the County Correctional Facility Capital Expenditure Bond Act of 1986.

4476. It is found and declared that:

(a) While the County Jail Capital Expenditure Bond Act of 1981 and the County Jail Capital Expenditure Bond Act of 1984 have helped eliminate many of the critically overcrowded conditions found in the 164 county jail facilities in the state, many problems

remain.

(b) Numerous county jails and juvenile facilities throughout California are dilapidated and overcrowded.

(c) Capital improvements are necessary to protect life and safety of the persons confined or employed in jail facilities and to upgrade the health and sanitary conditions of those facilities.

(d) County jails are threatened with closure or the imposition of court supervision if health and safety deficiencies are not corrected immediately.

(e) Due to fiscal constraints associated with the loss of local property tax revenues, counties are unable to finance the construction of adequate jail and juvenile facilities.

(f) Local facilities for adults and juveniles are operating over capacity and the population of these facilities is still increasing. It is essential to the public safety that construction of new facilities proceed as expeditiously as possible to relieve overcrowding and to maintain public safety and security.

CHAPTER 2. FISCAL PROVISIONS

4480. The State General Obligation Bond Law is adopted for the purpose of the issuance, sale, and repayment of, and otherwise providing with respect to, the bonds authorized to be issued pursuant to this title, and the provisions of that law are included in this title as though set out in full in this chapter except that, notwithstanding anything in the State General Obligation Bond Law, the maximum maturity of the bonds shall not exceed 20 years from the date of each respective series. The maturity of each respective series shall be calculated from the date of these series.

4481. As used in this title, and for the purpose of this title, the following words shall have the following meanings:

(a) "Committee" means the 1986 County Correctional Facility Capital Expenditure Finance Committee created by Section 4483.

(b) "Fund" means the 1986 County Correctional Facility Expenditure Fund.

(c) "County juvenile facilities" means county juvenile halls, juvenile homes, ranches, or camps, and other juvenile detention facilities.

4482. There is in the State Treasury the 1986 County Correctional Facility Capital Expenditure Fund, which fund is hereby created.

4483. For the purpose of authorizing the issuance and sale, pursuant to the State General Obligation Bond Law, of the bonds authorized by this title, the 1986 County Correctional Facility Capital Expenditure Finance Committee is hereby created. The committee consists of the Governor or his or her designated representative, the Controller, the Treasurer, and the Director of Finance. The County Correctional Facility Capital Expenditure Committee shall be the "committee" as that term is used in the State General Obligation Bond Law, and the Treasurer shall serve as chairman of the

Committee. The Board of Corrections is hereby designated as "the board" for purposes of this title and for the purposes of the State General Obligation Bond Law.

4484. The committee is hereby authorized and empowered to create a debt or debts, liability or liabilities, of the State of California, in the aggregate amount of four hundred ninety-five million dollars ($495,000,000), in the manner provided in this title. That debt or debts, liability or liabilities, shall be created for the purpose of providing the funds to be used for the object and work specified in Section 4485 and for administrative costs incurred in connection therewith.

4485. Moneys in the fund may be available for the construction, reconstruction, remodeling, and replacement of county jail facilities, including, but not limited to, separate facilities for care of mentally ill inmates and persons arrested because of intoxication, and the performance of deferred maintenance on county jail facilities except that up to twenty million dollars ($20,000,000) of the money in the fund shall be available for the construction, reconstruction, remodeling, and replacement of county juvenile facilities, and the performance of deferred maintenance on county juvenile facilities. However, deferred maintenance for jails and juvenile facilities shall only include items with a useful life of at least 10 years.

Expenditure shall be made only if county matching funds of 25 percent are provided as determined by the Legislature, except that this requirement may be modified or waived by the Legislature where it determines that it is necessary to facilitate the expeditious and equitable construction of state and local correctional facilities.

4485.5. During the design and planning stage for county jail facilities whose construction, reconstruction, or remodeling is financed by the fund, consideration shall be given to proper design to allow for areas where persons arrested for misdemeanors who are attempting to obtain release on bail can be safely accommodated without the necessity of unclothed body searches.

4485.6. In order to be eligible to receive funds derived from the issuance of General Obligation Bonds under this title, a county shall do all of the following:

(a) Adopt a plan to prohibit the detention of all juveniles in county jails unless otherwise authorized by law.

(b) Demonstrate that it has adequate facilities for mentally ill inmates or detainees and for those persons arrested because of inebriation, or demonstrate that it has a plan for the provision of services to these persons.

(c) Demonstrate that it has utilized, to the greatest practicable extent, alternatives to jail incarceration such as sheriff's work release under Section 4024.2, own recognizance release, and weekend work programs.

4485.7. Moneys in the fund may be available for construction of joint-use correctional facilities housing county and state or federal prisoners or any combination thereof in proportion to the county's

benefit.

4486. (a) When sold, the bonds authorized by this title shall constitute valid and legally binding general obligations of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal and interest thereon.

(b) There shall be collected annually in the same manner and at the same time as other state revenue is collected such a sum, in addition to the ordinary revenues of the state, as shall be required to pay the interest and principal on the bonds maturing each year, and it is hereby made the duty of all officers charged by law with any duty in regard to the collection of the revenue to do and perform each and every act which shall be necessary to collect that additional sum.

(c) All money deposited in the fund which has been derived from premium and accrued interest on bonds sold shall be available for transfer to the General Fund as a credit to expenditures for bond interest.

4487. All money deposited in the fund pursuant to any provision of law requiring repayments to the state for assistance financed by the proceeds of the bonds authorized by this title shall be available for transfer to the General Fund. When transferred to the General Fund, this money shall be applied as a reimbursement to the General Fund on account of principal and interest on the bonds which have been paid from the General Fund.

4488. There is hereby appropriated from the General Fund in the State Treasury for the purpose of this title such an amount as will equal the following:

(a) That sum annually as will be necessary to pay the principal of and the interest on the bonds issued and sold pursuant to the provisions of this title, as principal and interest become due and payable.

(b) That sum as is necessary to carry out the provisions of Section 4489, which sum is appropriated without regard to fiscal years.

4489. For the purpose of carrying out the provisions of this title, the Director of Finance may by executive order authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of the unsold bonds which the committee has by resolution authorized to be sold for the purpose of carrying out this title. Any amounts withdrawn shall be deposited in the fund and shall be disbursed by the board in accordance with this title. Any money made available under this section to the board shall be returned by the board to the General Fund from moneys received from the sale of bonds sold for the purpose of carrying out this title. These withdrawals from the General Fund shall be returned to the General Fund with interest at the rate which would have otherwise been earned by these sums in the Pooled Money Investment Fund.

4490. The committee may authorize the Treasurer to sell all or any part of the bonds herein authorized at such time or times as may be fixed by the Treasurer.

4491. All proceeds from the sale of bonds, except those derived from premiums and accrued interest, shall be available for the purpose provided in Section 4485 but shall not be available for transfer to the General Fund to pay principal and interest on bonds. The money in the fund may be expended only as herein provided.

4492. Notwithstanding Section 16305.7 of the Government Code, all interest or other increment resulting from the investment of moneys deposited in the fund shall be credited to the fund.

4493. Money in the fund may only be expended for projects specified in this title as allocated in appropriations made by the Legislature.

4494. (a) It is the intent of the people in enacting this bond act that jail authorization and construction proceed as quickly as possible. Due to the severe shortage of jail facilities and the need to begin construction of jail facilities as soon as possible, all decisions of the board regarding construction, reconstruction, remodeling, or replacement of jail facilities financed by this title shall be final.

(b) No court shall have jurisdiction over these decisions of the board absent a showing, beyond a reasonable doubt, of a gross abuse of discretion by the board.

(c) Should an action be commenced alleging gross abuse of discretion by the board, no court shall have jurisdiction to delay, prohibit, or interfere with the construction, reconstruction, remodeling, or replacement of the subject jail facilities. The sole remedy available to the court is a mandate that steps be taken to mitigate the abuse of discretion.

(d) Nothing in this title is intended in any way to delay, prohibit, or interfere with the construction of jail facilities.

4495. If any provision of this title, or the application thereof, is held to be invalid, that invalidity shall not affect the other provisions or applications of the title which can be given effect without the invalid provision or application, and to this end the provisions of this title are severable.

SEC. 2. Notwithstanding Sections 3525 and 10218 of the Elections Code, Section 1 of this act shall be submitted to the voters at the June 3, 1986, direct primary election in substantial accordance with the provisions of the Government Code and the Elections Code governing the submission of statewide measures to the voters at a statewide election and shall become operative upon the adoption of the measure.

SEC.3. The requirement of Section 3572 of the Elections Code that the analysis of the measure by the Legislative Analyst be submitted to a committee of five persons shall not apply to the measure set forth in this act.

SEC. 3.5. Notwithstanding Section 3569 of the Elections Code, the Secretary of State shall be allowed not more than 16 additional days, as required, to furnish copy for preparation of the ballot pamphlets for the direct primary election to be held June 3, 1986, to the Office of State Printing.

SEC. 4. Notwithstanding any other provision of law, all ballots of the election, with respect to the measure set forth in Section 1 of this act, shall have printed thereon and in a square thereof, the words: " County Correctional Facility Capital Expenditure Bond Act of 1986," and in the same square under those words, the following in eight-point type: "This act provides for the construction, reconstruction, remodeling, and replacement of county correctional facilities and the performance of deferred maintenance thereon pursuant to a bond issue of four hundred ninety-five million dollars ($495,000,000)." Opposite the square there shall be left spaces in which the voters may place a cross in the manner required by law to indicate whether they vote for or against the act.

Where the voting of the election is done by means of voting machines used pursuant to law in the manner that carries out the intent of this section, the use of the voting machines and the expression of the voters' choice by means thereof, are in compliance with this section.

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

Presently, local facilities for adults and juveniles are operating over capacity and the population in these facilities is still increasing. It is essential to the public safety that construction of new facilities proceed as expeditiously as possible to relieve overcrowding and to maintain public safety and security.

CHAPTER 13

An act to add Section 61765.75 to the Government Code, relating to community services districts and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 5, 1986 Filed with Secretary of State March 6, 1986]

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

SECTION 1. Section 61765.75 is added to the Government Code, to read:

61765.75. Notwithstanding Section 61765, in the Julian Community Services District, the water standby or availability charge shall not exceed forty dollars ($40) per year for each acre of land on which the charge is levied or forty dollars ($40) per year for a parcel less than one acre.

This section, applicable only to the Julian Community Services District, is necessary because of the unique and special water management and financing problems in the area included within the

district.

SEC. 2. The Legislature finds and declares that Section 1 of this act is necessary as a special law and that a general law cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique and special water management and financing problems within the Julian Community Services District which are not common to other districts organized pursuant to the Community Services District Law. Enabling the district to levy increased water standby or availability charges will allow the district to more fairly allocate the cost of needed water system improvements to both improved and unimproved parcels of real property which benefit therefrom. If these increased charges are not authorized, the owners of improved property would be required to pay a disproportionately large share of the cost through increased water rates, and the owners of unimproved benefited parcels of property would pay little or nothing toward that cost.

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

In order to permit the Julian Community Services District to finance urgently needed water system improvements at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 14

An act to amend Sections 370, 571, and 902 of the Probate Code, relating to probate.

[Approved by Governor March 10, 1986 Filed with Secretary of State March 10, 1986.]

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

SECTION 1. Section 370 of the Probate Code is amended to read:

370. Any person interested may contest the will by filing written grounds of opposition to the probate thereof at any time before the hearing of the petition for probate, and thereupon a citation shall be issued directed to the heirs of the decedent and to all persons interested in the will, including minors and incompetents, wherever residing, directing them to plead to the contest within 30 days after service of the citation, which shall be made in the manner provided by law for the service of a summons in a civil action. Any person so served may demur to the contest upon any of the grounds of demurrer available in civil actions. If the demurrer is sustained, the court may allow the contestant a reasonable time, not exceeding 10 days, within which to amend his contest. If the demurrer is overruled, the petitioner and others interested, within 10 days after

the receipt of written notice thereof, may jointly or separately answer the contest. An executor named in the will is under no duty to defend a contest of the will until he or she is appointed as executor by the court.

SEC. 2. Section 571 of the Probate Code is amended to read:

571. (a) The executor or administrator shall take into his or her possession all the estate of the decedent, real and personal, and collect all debts due to the decedent or to the estate.

(b) Unless otherwise ordered by the court pursuant to Section 572, when, at the time of his or her death, a partnership existed between the decedent and any other person, the surviving partner has the right to continue in possession of the partnership, and to settle its business, but the interest of the decedent in the partnership shall be included in the inventory, and be appraised as other property. The surviving partner shall settle the affairs of the partnership without delay, and account to the executor or administrator, and pay over such balances as may from time to time be payable to him or her, in right of the decedent. Upon application of the executor or administrator, the court or a judge thereof, whenever it appears necessary, may order the surviving partner to render an account, and in case of neglect or refusal may, after notice, compel it by attachment; and the executor or administrator may maintain against him or her any action which the decedent could have maintained.

(c) An executor or administrator who in good faith takes into his or her possession real or personal property reasonably believed by that executor or administrator to be a part of the estate of the decedent is not criminally or civilly liable to any person for so doing. The executor or administrator shall make reasonable efforts to determine the true nature of, and title to, property so taken into possession and during his or her possession shall be entitled to receive all rents, issues, and profits thereof. If the property is later determined not to be a part of the estate of the decedent, the executor or administrator shall deliver or cause to be delivered possession of the property to the person or persons legally entitled thereto together with all rents, issues, and profits thereof, received by the executor or administrator less any expenses incurred in the protection, and maintenance of the property and in the collection of the rents, issues, and profits thereof. The executor or administrator may request court approval prior to delivering such assets as required by this subdivision. The executor or administrator, and the attorneys for the executor or administrator, may be awarded reasonable compensation for services rendered in connection with the duties set forth in this subdivision as to property later determined not to be a part of the estate of the decedent upon a finding by the court that the services were of benefit to the estate, in which event compensation shall be a proper expense of administration of the estate of the decedent, or that the services were essential to the preservation, protection, and maintenance of the property, in which

event compensation shall be awarded as an expense deductible from the rents, issues, and profits thereof received by the executor or administrator, or if these be insufficient, as a lien against the property.

SEC. 3. Section 902 of the Probate Code is amended to read:

902. Such further allowances may be made as the court may deem just and reasonable for any extraordinary services, such as sales or mortgages of real or personal property, contested or litigated claims against the estate, the good faith defense of a will which is contested after the will is admitted to probate, the successful defense of a will which is contested before the will is admitted to probate, the preparation of estate, inheritance, income, sales or other tax returns, or the adjustment or litigation or payment of any of said taxes, litigation in regard to the property of the estate, the carrying on of the decedent's business pursuant to an order of the court, and such other litigation or special services as may be necessary for the executor or administrator to prosecute, defend, or perform.

The executor or administrator may also employ or retain tax counsel, tax auditors, accountants, or other tax experts for the performance of any action which such persons, respectively, may lawfully perform in the computation, reporting, or making of tax returns, or in negotiations or litigation which may be necessary for the final determination and payment of taxes, and pay from the funds of the estate for such services.

CHAPTER 15

An act to amend and repeal Section 69948 of the Government Code, relating to courts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 10, 1986 Filed with Secretary of State March 11, 1986]

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

SECTION 1. Section 69948 of the Government Code is amended to read:

69948. (a) The fee for reporting testimony and proceedings in contested cases is fifty-five dollars ($55) a day, or any fractional part thereof.

(b) In San Joaquin County, the board of supervisors may, by ordinance, prescribe a higher rate of compensation for superior court reporters.

(c) In Madera County, the fee for reporting testimony and proceedings in contested cases is eighty dollars ($80) a day, or any fractional part thereof.

(d) In Kings County, the fee for reporting testimony and

proceedings in contested cases is eighty-five dollars ($85) a day, or any fractional part thereof.

(e) In Mariposa County, the fee for reporting testimony and proceedings in contested cases is ninety-five dollars ($95) a day, or any fractional part thereof.

(f) In Siskiyou County, the board of supervisors may, by ordinance, prescribe a higher rate of compensation for superior court reporters.

(g) In Yuba County, the fee for reporting testimony and proceedings in contested cases is ninety dollars ($90) per day, or any fractional part thereof.

(h) In Butte County, pro tempore reporters shall receive a fee of seventy-five dollars ($75) a day, or any fractional part thereof, for reporting testimony and proceedings in contested cases.

(i) In Sutter County, except as may otherwise be provided in Section 74839, the fee for reporting testimony and proceedings in contested cases is ninety dollars ($90) per day, or any fractional part thereof.

(j) In Napa County, the board of supervisors may, by ordinance, prescribe a higher rate of compensation for superior court reporters.

(k) In Tehama County, the board of supervisors may, by ordinance, prescribe a higher rate of compensation for superior court reporters.

(*l*) In Monterey County, the fee for reporting testimony and proceedings in contested cases in any court is seventy-five dollars ($75) a day or any fractional part thereof.

(m) In Nevada County, the board of supervisors may, by ordinance, prescribe a higher rate of compensation for superior court reporters.

(n) In Calaveras County, the fee for reporting testimony and proceedings in contested cases is seventy-five dollars ($75) per day, or any fractional part thereof; provided that the board of supervisors may, by ordinance, prescribe a higher rate of compensation for superior court reporters.

(o) In Placer County, the board of supervisors may, by ordinance, prescribe a higher rate of compensation for superior court reporters.

(p) In Sierra County, the board of supervisors may, by ordinance, prescribe a higher rate of compensation for superior court reporters.

(q) In Trinity County, the board of supervisors may, by ordinance, prescribe a higher rate of compensation for superior court reporters.

(r) In Humboldt County, the fee for reporting testimony and proceedings in contested cases is seventy-five dollars ($75) per day, or any fractional part thereof.

(s) In Del Norte County, the fee for reporting testimony and proceedings in contested cases is seventy-five dollars ($75) per day, or any fractional part thereof.

(t) In Alpine County, the board of supervisors may, by ordinance, prescribe a higher rate of compensation for superior court reporters.

(u) In Glenn County, the board of supervisors may, by ordinance,

prescribe a higher rate of compensation for superior court reporters.

(v) In Colusa County, the fee for reporting testimony and proceedings in contested cases is seventy-five dollars ($75) per day, or any fractional part thereof.

(w) In Shasta County, the fee for reporting testimony and proceedings in contested cases is seventy-five dollars ($75) per day, or any fractional part thereof.

(x) In Solano County, the fee for reporting testimony and proceedings in contested cases is ninety dollars ($90) per day, or fifty-five dollars ($55) per half day or fractional part thereof; provided that the board of supervisors may, by ordinance, prescribe a higher rate of compensation for superior court reporters.

(y) In Inyo County, the board of supervisors may, by ordinance, prescribe a higher rate of compensation for superior court reporters.

(z) In Mono County, the board of supervisors may, by ordinance, prescribe a higher rate of compensation for superior court reporters.

SEC. 2. This act shall remain in effect only until January 1, 1988, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1988, deletes or extends that date. If that date is not deleted or extended, then, on and after January 1, 1988, pursuant to Section 9611 of the Government Code, Section 69948 of the Government Code, as amended by Section 1 of Chapter 1374 of the Statutes of 1985, shall have the same force and effect as if this temporary provision had not been enacted.

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

In order to ensure adequate court reporting services in Sierra, Inyo, and Mono Counties, it is necessary that this bill take effect immediately.

CHAPTER 16

An act to amend Sections 8690.4 and 8690.6 of the Government Code, to add Sections 17207 and 24347.5 to, and to add Chapter 4 (commencing with Section 181) to Part 1 of Division 1 of the Revenue and Taxation Code, relating to disaster relief, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 11, 1986 Filed with Secretary of State March 11, 1986.]

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

SECTION 1. Section 8690.4 of the Government Code is amended to read:

8690.4. The Controller shall establish the following four special accounts in the Natural Disaster Assistance Fund:

(a) The Public Facilities Account, into which shall be paid all resources of the appropriation made by Section 4 of Chapter 624 of the Statutes of 1973, any money hereafter appropriated by the Legislature for allocation for public facilities projects, and any income from investment of moneys in the account and payments by local agencies in reimbursement of moneys disbursed from the account, including deferred payments with charges, pursuant to Section 8686.8.

(b) The Street and Highway Account, into which shall be paid all resources transferred from the Street and Highway Disaster Fund, any money received from the federal government as reimbursement to any city or county for expenditures from funds allocated, transferred or expended pursuant to this chapter for a street and highway project, any money hereafter appropriated by the Legislature for allocation for street and highway projects, and any income from investment of moneys in the account and payments by local agencies in reimbursement of moneys disbursed from the account including deferred payments with charges, pursuant to Section 8686.8.

(c) The 1983 Natural Disasters Account, into which shall be paid all moneys appropriated by the Legislature for allocation to those who have incurred losses or expenses resulting from the Coalinga earthquake of May 2, 1983, or the "Morgan Hill" earthquake of April 24, 1984, as follows:

(1) To reimburse local agencies for personnel overtime costs and for supplies used for disaster assistance.

(2) To provide for the repair, cleanup, and reconstruction of damaged public facilities.

(3) To provide state matching funds for federal assistance.

(4) To provide other assistance as the Director of the Office of Emergency Services deems necessary to carry out the provisions of this subdivision.

(d) The 1986 Flood Disaster Account, to be established by the Controller, into which shall be paid all moneys appropriated by the Legislature for allocation to reclamation and levee maintenance districts maintaining nonproject levees damaged by the storms and floods of February, 1986.

SEC. 2. Section 8690.6 of the Government Code is amended to read:

8690.6. (a) There is hereby established in the Reserve for Economic Uncertainties a Disaster Response-Emergency Operations Account. Notwithstanding Section 13340, moneys in the account are continuously appropriated, without regard to fiscal years, for allocation by the Director of Finance, upon an order of the Governor, to state or local agencies for costs, including the cost of providing disaster victim assistance, incurred related to emergencies declared by the Governor. For purposes of this section, an "emergency"

means a fire, flood, storm, tidal wave, earthquake or similar public calamity.

(b) The Director of Finance shall allocate funds pursuant to this section in accordance with Section 28 of the annual Budget Act.

(c) Funds allocated to local agencies under this section may be used to provide the local agency's share of the cost of participation in federal disaster relief programs, but shall not be used to supplant federal funds otherwise available in the absence of state financial relief. The Department of Finance may establish standards for the allocation of funds to local agencies. Notwithstanding the provisions of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2, these standards, if promulgated, shall not be subject to the review and approval of the Office of Administrative Law.

(d) The amount of financial assistance provided to an individual, business, or governmental entity under this section, or pursuant to any other program of state funded disaster assistance, shall be deducted from sums received in payment of damage claims asserted against the state, its agents, or employees, for causing or contributing to the effects of the proclaimed disaster.

(e) This section shall become inoperative on June 30, 1988, and, as of January 1, 1989, is repealed, unless a later enacted statute, which becomes effective on or before January 1, 1989, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 3. Chapter 4 (commencing with Section 181) is added to Part 1 of Division 1 of the Revenue and Taxation Code, to read:

CHAPTER 4. DISASTER RELIEF

181. As used in this chapter:

(a) "Eligible county" means a county which meets both of the following requirements:

(1) Has been proclaimed by the Governor to be in a state of disaster as a result of storms and floods occurring during February 1986.

(2) Has adopted an ordinance providing for property reassessment pursuant to Section 170.

(b) "Eligible property" means real property and any mobilehome which has received the homeowners' exemption or is eligible for the homeowners' exemption as of March 1, 1986, and which is located in an eligible county.

(c) "Property tax deferral claim" means a claim filed by the owner of eligible property in conjunction with or in addition to the filing of an application for reassessment of that property pursuant to Section 170, which enables the owner to defer payment of the April 10, 1986, installment of taxes on property on the regular secured roll for the 1985–86 fiscal year, as provided in Section 185.

182. On or before May 1, 1986, the tax collector of an eligible county shall certify to the Director of Finance the total amount of the second installment of property taxes on the regular secured roll for

the 1985–86 fiscal year which are not paid by 5 p.m. on April 10, 1986, and which are delinquent, less the total amount of payments of that second installment received between April 10, 1986, and the date of the tax collector's certification, and the delinquency percentage rate for property taxes on the regular secured roll for the 1982–83, 1983–84, and 1984–85 fiscal years.

182.5. If an eligible county has adopted an ordinance in accordance with Section 191, the tax collector shall certify to the Director of Finance on or before May 1, 1986, the total amount of supplemental roll property tax deferral claims submitted pursuant to Section 191 to the county by 5 p.m. on April 10, 1986.

183. If the tax collector of an eligible county has certified to the Director of Finance the information specified in Section 182, the Director of Finance shall determine an amount for payment to the county which is equal to the amount of the second installment of property taxes on the regular secured roll for the 1985–86 fiscal year which is not paid by 5 p.m. on April 10, 1986, less a percentage of that amount which is equal to the average delinquency rate for property taxes on the regular secured roll for the immediately preceding three fiscal years. The Director of Finance shall certify the amount so determined to the Controller for allocation to the county. Upon receipt of certification by the Director of Finance, the Controller shall make the appropriate allocation to the county within 10 working days thereafter.

184. If the tax collector of an eligible county has certified to the Director of Finance the information specified in Section 182.5, the Director of Finance shall certify this amount to the Controller for allocation to the county. Upon receipt of certification by the Director of Finance, the Controller shall make the appropriate allocation to the county within 10 working days thereafter.

185. (a) Any owner of eligible property who files on or before April 10, 1986, a claim for reassessment pursuant to the provisions of Section 170 based upon flood or storm damage occurring in February 1986 and amounting to ten thousand dollars ($10,000) or more may apply to the county assessor to defer payment of the second installment of property taxes on the regular secured roll for the 1985–86 fiscal year with respect to that property which are due no later than April 10, 1986. If a timely claim is filed, the payment shall be deferred without penalty or interest until the assessor has reassessed the property and a corrected bill prepared pursuant to the provisions of Section 170 has been sent to the property owner. Taxes deferred pursuant to this section are due 30 days after receipt by the owner of the corrected tax bill and if unpaid thereafter are delinquent as provided in Section 2610.5 and shall be subject to the penalty provided by law.

(b) If, following reassessment pursuant to subdivision (a), the assessor determines that an owner who applied and was granted a deferral of property taxes was not entitled to that deferral, the owner shall be assessed a delinquency penalty for the nonpayment of the

deferred taxes.

(c) The provisions of this section do not apply to property taxes paid through impound accounts.

187. On or before December 31, 1986, each eligible county shall compute and remit to the Controller for deposit in the General Fund an amount equal to the amount allocated to it by the Controller pursuant to Section 183, less the amount of its property tax revenue lost in the 1985–86 fiscal year as a result of the reassessment pursuant to Section 170 of that property which was damaged or destroyed by the storms and floods of February 1986. If the amount computed pursuant to this section for an eligible county is less than zero, the Controller shall allocate that amount to the county.

187.5. On or before December 31, 1986, each eligible county which has adopted an ordinance in accordance with Section 191, shall compute and remit to the Controller for deposit in the General Fund an amount equal to the amount allocated to it by the Controller pursuant to Section 184, less the amount of its supplemental roll property tax revenue lost in the 1985–86 fiscal year as the result of reassessment pursuant to Section 170 of that property which was damaged or destroyed by the storms and floods of February 1986 and for which a deferral of supplemental roll property taxes was claimed pursuant to the ordinance adopted in accordance with Section 191.

188. The allocation of funds to counties made pursuant to Sections 183 and 184 shall be subject to review and audit by the Controller.

188.5. The Department of Finance and the Controller shall establish guidelines in carrying out the provisions of this chapter. These guidelines shall include a procedure for the review of claims submitted by an eligible county to the Department of Finance for allocations under this chapter. Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, these standards shall not be subject to the review and approval of the Office of Administrative Law.

189. Each eligible county shall make every reasonable effort to inform eligible property owners of the benefits provided by this chapter.

190. It is the intent of this chapter to provide immediate tax relief to homeowners whose property was damaged during the February 1986 storms and floods and to ensure that local governments receive the property tax revenues necessary to carry out their operations in the 1985–86 fiscal year.

191. Each eligible county may adopt an ordinance to permit the deferral of unpaid nondelinquent 1985–86 fiscal year supplemental roll taxes on eligible property reassessed pursuant to Chapter 3.5 (commencing with Section 75) of Part 0.5 which has sustained ten thousand dollars ($10,000) or more in damage as the result of floods or storms occurring in February 1986 if the owner files a claim for deferral on or before April 10, 1986, with the assessor. The corrected supplemental bill shall be due on the last day of the month following

the month in which the corrected bill is mailed or the delinquent date of the second installment of the original bill, whichever is later.

SEC. 4. Section 17207 is added to the Revenue and Taxation Code, to read:

17207. (a) For disaster losses resulting from forest fire or any other related casualty occurring in 1985 in California or from storm, flooding, or any other related casualty occurring in 1986 in California which qualify for treatment under Section 165(i) of the Internal Revenue Code, to the extent that those losses, as computed pursuant to Section 165(a) of the Internal Revenue Code, as modified by Section 17206, exceed the taxable income of the year of loss or, if the election under Section 165(i) of the Internal Revenue Code is made, the taxable income of the year preceding the loss, then that "excess loss" may be carried to other taxable years as provided in subdivision (b).

(b) For losses covered by Sections 165(c)(1) and 165(c)(2) of the Internal Revenue Code, relating to trade or business losses, losses resulting from transactions entered into for profit, and for losses covered by Section 165(c)(3) of the Internal Revenue Code, relating to personal casualty losses, the "excess loss" may be carried forward to each of the five taxable years following the year the loss is claimed.

(c) The entire amount of any "excess loss" as defined in subdivision (a) shall be carried to the earliest of the taxable years to which, by reason of subdivision (b), the loss may be carried. The portion of the loss which shall be carried to each of the other taxable years shall be the excess, if any, of the amount of "excess loss" over the sum of the taxable income for each of the prior taxable years to which that "excess loss" may be carried.

(d) The provisions of this section and Section 165(i) of the Internal Revenue Code shall be applicable to any loss sustained during February 1986 as the result of storm, flooding, or any other related casualty in any county in this state which was proclaimed by the Governor to be in a state of disaster.

SEC. 5. Section 24347.5 is added to the Revenue and Taxation Code, to read:

24347.5. (a) In lieu of Section 24347, for disaster losses resulting from forest fire or any other related casualty occurring in 1985 in California or from storm, flooding, or any other related casualty occurring in 1986 in California, a deduction is allowed pursuant to Section 165(i) of the Internal Revenue Code.

(b) To the extent that losses under subdivision (a) exceed the net income of the year of loss or, if the election under Section 165(i) of the Internal Revenue Code is made, the net income of the year preceding the loss, then that "excess loss" may be carried forward to each of the five income years following the income year the loss is claimed.

(c) The entire amount of any "excess loss" as defined in subdivision (b) shall be carried to the earliest of the income years to which, by reason of subdivision (b), the loss may be carried. The

portion of the loss which shall be carried to each of the other income years shall be the excess, if any, of the amount of "excess loss" over the sum of the net income for each of the prior income years to which that "excess loss" may be carried.

(d) The provisions of this section and Section 165(i) of the Internal Revenue Code shall be applicable to any loss sustained during February 1986 as the result of storm, flooding, or any other related casualty in any county in this state which was proclaimed by the Governor to be in a state of disaster.

(e) Any corporation subject to the provisions of Section 25101 or 25101.15 that has disaster losses pursuant to this section, shall determine the "excess loss" to be carried to other income years under the principles specified in Section 25110 relating to net operating losses.

SEC. 6. (a) The sum of one hundred fifteen million dollars ($115,000,000), is hereby tranferred from the Reserve for Economic Uncertainties to the Disaster Response-Emergency Operations Account, for allocation by the Director of Finance in accordance with Section 8690.6 of the Government Code and this section.

(b) Of the funds transferred pursuant to subdivision (a), the sum of ten million dollars ($10,000,000) shall be allocated to the State Department of Social Services to provide individual and family grant assistance to persons incurring damage due to storms and floods occurring in February 1986. These funds shall not be used to fulfill matching fund requirements for federal disaster assistance, but shall be used to supplement the individual and family grant program. A supplemental grant provided for under this subdivision to an individual or family shall not exceed five thousasnd dollars ($5,000).

(c) Of the funds transferred pursuant to subdivision (a), the sum of twenty million dollars ($20,000,000) shall be available for the reimbursement of local agencies for property tax revenue losses in the 1985–86 fiscal year which are attributable to the property tax relief provisions of Chapter 4 (commencing with Section 181) of Part 1 of Division 1 of the Revenue and Taxation Code.

(d) (1) Of the funds transferred pursuant to subdivision (a), the sum of eighty million dollars ($80,000,000) shall be allocated to counties which have been declared by the Governor as requiring disaster assistance due to storms and floods occurring in February 1986 in accordance with this subdivision.

(2) Each local agency in an eligible county shall send to the county within which it is located, a copy of each preliminary claim for costs incurred by the local agency due to storm and flood damage occurring during February 1986, which it submits to the Office of Emergency Services. Each eligible county shall aggregate the amount of all claims submitted to it by local agencies, and shall submit this aggregate claim to the Director of Finance.

(3) Each eligible county shall also submit a final report on the costs which all local agencies within the county have incurred due to storm and flood damage occurring during February 1986.

(4) The Department of Finance, in cooperation with the Office of Emergency Services, shall allocate funds available for purposes of this subdivision based upon damage estimates of the Office of Emergency Services. The amount of funds which a county shall receive pursuant to this subdivision shall be based upon the ratio of the damage which the Office of Emergency Services estimates to have been incurred in that county to the total amount of the damage which the Office of Emergency Services estimates to have been incurred in all eligible counties.

(e) Notwithstanding subdivision (b) of Section 8690.6 of the Government Code, funds allocated pursuant to this section shall not be subject to the process contained in Section 28 of the Budget Act. Funds allocated pursuant to subdivision (d) shall, however, be allocated in accordance with Section 27 of the Budget Act.

(f) Within 10 days of receipt by the county of all claims by local agencies required to be submitted to the county pursuant to paragraph (2) of subdivision (d), the board of supervisors shall form an advisory body consisting of representatives of each affected local agency whose purpose shall be to advise and consult with the board of supervisors in the allocation of funds allocated pursuant to subdivision (d).

Not later than 20 days following the formation of the advisory body, the board of supervisors shall conduct a noticed public hearing at which the advisory body established pursuant to this subdivision shall report its recommendations to the board. After receiving public testimony, the board of supervisors shall allocate funds received pursuant to subdivision (d) to local agencies as it deems appropriate. The decision of the board of supervisors shall be final.

It is the intent of the Legislature that the distribution of these moneys be based primarily upon proportional losses suffered and costs incurred by local agencies.

(g) Of the funds transferred pursuant to subdivision (a), the sum of five million dollars ($5,000,000) shall be transferred from the Disaster Response-Emergency Operations Account to the 1986 Flood Disaster Account. Moneys transferred pursuant to this subdivision are hereby appropriated without regard to fiscal years and shall be available to the Office of Emergency Services for allocation to reclamation and levee maintenance districts in counties declared disaster areas by federal or state authorities due to the February 1986 storms and floods to repair damage to nonproject levees and to meet other costs related to flood damage, including but not limited to, flood fight and dewatering costs.

Financial assistance to districts under this emergency repair program shall be operated to the extent possible in accordance with administrative procedures and standards established pursuant to Part 9 (commencing with Section 12980) of Division 6 of the Water Code, including criteria for repair according to improvement and maintenance standards, for submission and approval of plans, and for inspection of work performed. Repair of breaks on a levee shall meet

a standard sufficient to prevent infiltration of water through the levee.

Districts shall share in the costs of the work required in accordance with subdivision (b) of Section 8686 of the Government Code. The Office of Emergency Services shall adopt a reimbursement schedule which provides for payment for up to 75 percent of the total amount eligible for reimbursement to be made upon substantial completion of the applicable repairs. Final payment shall be held pending completion and approval of the final audit.

Where applicable, a district shall apply for federal disaster assistance funds. Any amount of federal relief funds provided above 75 percent of the cost of the eligible project shall be deducted from the cost of the project as provided for under Section 8686.2 of the Government Code.

For the purposes of this subdivision, "nonproject levee" means any levee which is not a project facility under the Water Resources Law of 1945.

This emergency repair program shall supplement the existing Delta Levee Maintenance Program. Reimbursement of costs for emergency repair to a district shall in no way affect its eligibility for additional reimbursement of costs under the Delta Levee Maintenance Program. Eligibility for reimbursement under this subdivision shall not be limited to districts located within the Delta as defined in Section 12200 of the Water Code.

The intent of the emergency repair program provided for under this subdivision is to ensure early repair of damage and restoration of levees and assist in financing the work required. Reclamation district levees are part of an integral system which prevents intrusion of salt water from San Francisco Bay into the Delta and protects the quality of water used by residents throughout the state. Immediate repair of the breaks and dewatering of flooded areas is necessary to preserve the structural integrity of the levee system, alleviate wind and water erosion across flood waters, prevent damage to adjacent levees and expedite occupancy of residential dwellings.

Any unused funds shall revert to the Disaster Response-Emergency Operations Account.

(h) The amount of financial assistance provided to an individual, business, or governmental entity under this section, or pursuant to any other program of state-funded disaster assistance shall constitute a lien in favor of the state against any recovery by a recipient of assistance from any other source, including the State of California, for damages arising out of or by virtue of the proclaimed disaster. The state shall be subrogated to the rights of these recipients of assistance.

SEC. 7. No reimbursement shall be made from the State Mandates Claims Fund pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code for costs mandated by the state pursuant to this act.

Any costs mandated upon local agencies pursuant to this act shall be paid for out of funds appropriated pursuant to this act.

SEC. 8. If any provision of this act or the application thereof to any person or circumstances is held invalid, that invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

SEC. 9. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

The recent disastrous and extensive storms and floods in the northern part of this state, in the areas subsequently proclaimed to be in a state of disaster, have destroyed and damaged property to such an extent that many of the property owners will either be unable to pay the second installment of county taxes by 5 p.m. April 10, 1986, with a resulting loss of tax revenue to the counties involved, or these property owners will find payment of penalties and interest on these taxes such a heavy financial burden that they will be delayed in restoring their property to its previous condition so that its value on tax rolls in future years will not be sufficient to provide reasonable support for local government. There is a grave danger that in the time of need these counties will not be able to perform their governmental functions without this tax revenue. In order that these counties may continue to perform their governmental functions without interruption, it is necessary that this act go into immediate effect.

CHAPTER 17

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

[Approved by Governor March 14, 1986 Filed with Secretary of State March 14, 1986]

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

SECTION 1. The sum of two million one hundred seventy-eight thousand three hundred fifty-four dollars ($2,178,354) is hereby appropriated without regard to fiscal years to the State Department of Mental Health, payable from the Special Account for Capital Outlay, for expenditure for security improvements and other necessary improvements related to those security improvements at Patton State Hospital. The purposes for which expenditures from this appropriation may be made include, but are not limited to, all preliminary plans, working drawings, and construction necessary to complete the improvements.

SEC. 2. Notwithstanding any other provision of law to the

contrary, the total patient population, irrespective of method of placement or commitment, at Patton State Hospital shall not exceed 1,336, or the licensed capacity, if less.

SEC. 3. The State Department of Mental Health shall make an assessment of the security risk potential of all state hospital patients admitted under provisions of the Penal Code. Periodic reassessments shall be made of the security risk potential of each patient at least annually. The Director of Mental Health shall establish policies, procedures, and criteria so that patients assessed for security risk potential are rated as either high, medium, or low risk.

To the extent possible and subject both to the availability of beds at other state hospitals for the mentally disordered and to the patient's clinical status, patients admitted to, or maintained at, Patton State Hospital shall be those assessed to be medium- or low-security risk.

SEC. 4. Due to the unique circumstances concerning the lack of adequate security at Patton State Hospital, the Legislature finds and declares that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the Constitution.

Any funds which have been appropriated for the purpose of preliminary plans for office buildings at Atascadero State Hospital may be utilized for planning for construction in accordance with the requirements for Type II buildings as set forth in Title 24 of the California Administrative Code.

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

In order to assure sufficient security and safety at Patton State Hospital and Atascadero State Hospital and to safely accommodate the changing characteristics of the patient population, it is necessary that this act go into immediate effect.

CHAPTER 18

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

[Approved by Governor March 14, 1986 Filed with Secretary of State March 14, 1986]

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

SECTION 1. (a) The sum of two hundred fifty thousand dollars ($250,000) is hereby appropriated to the Controller for allocation and disbursement, as follows:

(1) From the General Fund to Marin County for

costs incurred pursuant to Section 4700.2 of the Penal Code in fiscal years 1984–85 and 1985–86	$165,000
(2) From the Special Account for Capital Outlay to the Judicial Council for preliminary plans, working drawings and construction remodeling and expansion of office space in the Fresno state building in augmentation of category (1) of Item 0250-301-036 of the Budget Act of 1984	$85,000
Total	$250,000

(b) It is the intent of the Legislature that, after this act is chaptered, no further funds shall be appropriated in the 1985–86 fiscal year for the purpose of paragraph (2) of subdivision (a).

(c) The Controller shall reduce the amount appropriated by paragraph (2) of subdivision (a) by any amounts appropriated by a bill chaptered in 1986 for use during the 1985–86 fiscal year for the same purpose as paragraph (2) of subdivision (a).

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

The trial costs to Marin County in the case of People v. Bingham are expected to be considerable and in order for that county to manage the fiscal difficulties precipitated by this trial, and in order to complete the construction of needed office space in the Fresno state building, it is necessary for this act to go into immediate effect.

CHAPTER 19

An act making an appropriation for the payment of certain claims against the State of California, and declaring the urgency thereof, to take effect immediately.

[Became law without Governor's signature Filed with Secretary of State March 17, 1986]

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

SECTION 1. The sum of four million five hundred seventy-four thousand nine hundred thirty-one dollars and three cents ($4,574,931.03) is hereby appropriated to the Secretary of the State Board of Control for the payment of certain claims accepted by the State Board of Control between June 1, 1984, and May 31, 1985, inclusive, in accordance with the following schedule:

(1) Three million six hundred twenty-six thousand eight hundred eleven dollars and sixty-nine cents ($3,626,811.69) from the General Fund.

(2) Seven hundred four dollars ($704) from the California

Housing Finance Fund.

(3) Two hundred eighty-six dollars ($286) from the Disability Insurance Fund.

(4) Thirty dollars ($30) from the Federal Trust Fund.

(5) Three hundred twenty-five dollars and thirty cents ($325.30) from the Fish and Game Preservation Fund.

(6) One hundred seventy-eight dollars and seventy-three cents ($178.73) from the Inheritance Tax Fund.

(7) One hundred forty-six dollars and forty-three cents ($146.43) from the Pharmacy Board Contingent Fund.

(8) One thousand eighty-five dollars and nine cents ($1,085.09) from the Prison Industry Revolving Fund.

(9) Ninety-nine dollars and twenty-five cents ($99.25) from the Public Employees Retirement Fund.

(10) Five hundred fifty-two dollars and thirty-three cents ($552.33) from the Retail Sales Tax Fund.

(11) One hundred thirty dollars and sixty cents ($130.60) from the State University and College Continuing Education Revenue Fund.

(12) Three hundred thirty-nine dollars and fifty-nine cents ($339.59) from the Special Deposit Fund.

(13) Eight hundred seventy-eight dollars and thirty-eight cents ($878.38) from the Stephen P. Teale Data Center Revolving Fund.

(14) Ninety-eight dollars and ninety-eight cents ($98.98) from the State Teachers Retirement Fund.

(15) Fourteen thousand two hundred forty-nine dollars and fifty-two cents ($14,249.52) from the Motor Vehicle Account in the State Transportation Fund.

(16) Ninety-five dollars and eighty-six cents ($95.86) from the Motor Vehicle Account, Department of Motor Vehicles, in the State Transportation Fund.

(17) Two thousand nine hundred sixty-one dollars and sixteen cents ($2,961.16) from the State Highway Account in the State Transportation Fund.

(18) Five hundred ninety-nine dollars and forty-eight cents ($599.48) from the Motor Vehicle Fuel Account in the Transportation Tax Fund.

(19) One thousand eight hundred sixty dollars and eighty-nine cents ($1,860.89) from the Tax Relief and Refund Account Fund.

(20) Twenty-six dollars ($26) from the Unemployment Administration Fund.

(21) Seven hundred sixty-seven dollars and eighty-six cents ($767.86) from the Unemployment Compensation Disability Fund.

(22) Five thousand eight hundred fifty-seven dollars and seventy-three cents ($5,857.73) from the Unemployment Fund.

(25) Twenty-eight thousand two hundred twenty-three dollars and twenty-five cents ($28,223.25) from the Water Resources Revolving Fund.

(26) Nine hundred sixty-nine dollars ($969) from the unencumbered balance of category (b) of Item 0250-001-001 of the

Budget Act of 1985.

(27) Nine thousand two hundred ninety dollars and fifty cents ($9,290.50) from the unencumbered balance of category (b) of Item 0690-001-001 of the Budget Act of 1985.

(28) Four thousand six hundred sixty-seven dollars and forty-nine cents ($4,667.49) from the unencumbered balance of category (g) of Item 0820-001-001 of the Budget Act of 1985.

(29) Two thousand ninety-six dollars and seventy-one cents ($2,096.71) from the unencumbered balance of category (a) of Item 0840-001-001 of the Budget Act of 1985.

(30) Two hundred eighty dollars and thirty-seven cents ($280.37) from the unencumbered balance of category (b) of Item 0840-001-001 of the Budget Act of 1985.

(31) Five hundred thirty-nine dollars and forty-two cents ($539.42) from the unencumbered balance of category (a) of Item 0860-001-001 of the Budget Act of 1985.

(32) Four hundred three dollars and seventy-eight cents ($403.78) from the unencumbered balance of category (b) of Item 0950-001-001 of the Budget Act of 1985.

(33) Three hundred nineteen dollars and eighty-two cents ($319.82) from the unencumbered balance of category (b) of Item 1100-001-001 of the Budget Act of 1985.

(34) One thousand four hundred nine dollars and twenty-nine cents ($1,409.29) from the unencumbered balance of category (a) of Item 1150-008-128 of the Budget Act of 1985.

(35) Seventy-five dollars ($75) from the unencumbered balance of category (a) of Item 1170-012-773 of the Budget Act of 1985.

(36) Six hundred dollars ($600) from the unencumbered balance of category (a) of Item 1640-086-001 of the Budget Act of 1985.

(37) Five hundred dollars and three cents ($500.03) from the unencumbered balance of category (a) of Item 1655-090-702 of the Budget Act of 1985.

(38) One thousand one hundred four dollars ($1,104) from the unencumbered balance of category (a) of Item 1700-001-001 of the Budget Act of 1985.

(39) Twelve thousand nine hundred fifty-nine dollars and forty-nine cents ($12,959.49) from the unencumbered balance of category (b) of Item 1705-001-001 of the Budget Act of 1985.

(40) Sixty-one dollars and seventeen cents ($61.17) from the unencumbered balance of category (a) of Item 1730-001-001 of the Budget Act of 1985.

(41) Four hundred forty dollars and sixty-seven cents ($440.67) from the unencumbered balance of category (b) of Item 1730-001-001 of the Budget Act of 1985.

(42) Five thousand twenty-two dollars and sixty-nine cents ($5,022.69) from the unencumbered balance of category (a) of Item 1760-001-666 of the Budget Act of 1985.

(43) Fourteen thousand seven hundred forty-four dollars and forty-nine cents ($14,744.49) from the unencumbered balance of

category (b) of Item 1760-001-666 of the Budget Act of 1985.

(44) One thousand seventy-two dollars and twenty-three cents ($1,072.23) from the unencumbered balance of category (a) of Item 1970-011-001 of the Budget Act of 1985.

(45) Four hundred seventy-nine dollars and thirty-seven cents ($479.37) from the unencumbered balance of category (a) of Item 2100-001-001 of the Budget Act of 1985.

(46) Six hundred forty-three dollars and twenty-eight cents ($643.28) from the unencumbered balance of category (a) of Item 2140-001-136 of the Budget Act of 1985.

(47) One thousand thirty-five dollars and eighty cents ($1,035.80) from the unencumbered balance of category (a) of Item 2200-001-001 of the Budget Act of 1985.

(48) Five thousand dollars ($5,000) from the unencumbered balance of category (b) of Item 2240-001-001 of the Budget Act of 1985.

(49) Two hundred dollars ($200) from the unencumbered balance of Item 2240-001-648 of the Budget Act of 1985.

(50) Fifteen thousand seventeen dollars and seventy cents ($15,017.70) from the unencumbered balance of category (a) of Item 2290-001-217 of the Budget Act of 1985.

(51) Fifteen dollars ($15) from the unencumbered balance of category (a) of Item 2320-001-317 of the Budget Act of 1985.

(52) Ninety dollars ($90) from the unencumbered balance of category (b) of Item 2320-001-317 of the Budget Act of 1985.

(53) Forty thousand six hundred seventy-seven dollars and seventy-six cents ($40,677.76) from the unencumbered balance of category (a) of Item 2660-001-042 of the Budget Act of 1985.

(54) Thirteen thousand five hundred seventy-two dollars and twenty-three cents ($13,572.23) from the unencumbered balance of category (a) of Item 2720-001-044 of the Budget Act of 1985.

(55) Eight thousand nine hundred sixty-two dollars and thirty-five cents ($8,962.35) from the unencumbered balance of category (a) of Item 2740-001-044 of the Budget Act of 1985.

(56) Two thousand two hundred sixty-two dollars and seventy-three cents ($2,262.73) from the unencumbered balance of category (b) of Item 2740-001-044 of the Budget Act of 1985.

(57) Three thousand nine hundred eighty-one dollars and thirty-one cents ($3,981.31) from the unencumbered balance of category (a) of Item 3340-001-001 of the Budget Act of 1985.

(58) One hundred fifty-five dollars and ninety-nine cents ($155.99) from the unencumbered balance of category (b) of Item 3340-001-001 of the Budget Act of 1985.

(59) One hundred sixty-six dollars and seventy-two cents ($166.72) from the unencumbered balance of category (a) of Item 3360-001-465 of the Budget Act of 1985.

(60) Four thousand seven hundred ninety-four dollars and seventy-four cents ($4,794.74) from the unencumbered balance of category (b) of Item 3380-001-001 of the Budget Act of 1985.

(61) Six hundred forty dollars ($640) from the unencumbered balance of category (a) of Item 3400-001-001 of the Budget Act of 1985.

(62) Twenty-two thousand two hundred thirty-six dollars and twenty-five cents ($22,236.25) from the unencumbered balance of category (b) of Item 3400-001-001 of the Budget Act of 1985.

(63) Thirteen thousand fifty-nine dollars and twenty-six cents ($13,059.26) from the unencumbered balance of category (a) of Item 3540-001-001 of the Budget Act of 1985.

(64) Sixty dollars and twenty-three cents ($60.23) from the unencumbered balance of Item 3600-001-001 of the Budget Act of 1985.

(65) Five thousand eight hundred seventy-five dollars and sixty-six cents ($5,875.66) from the unencumbered balance of category (a) of Item 3790-001-001 of the Budget Act of 1985.

(66) Ten thousand five hundred thirty-six dollars ($10,536) from the unencumbered balance of category (b) of Item 3790-001-001 of the Budget Act of 1985.

(67) Thirteen thousand nine hundred seventy-six dollars and twenty-two cents ($13,976.22) from the unencumbered balance of category (b) of Item 3940-001-001 of the Budget Act of 1985.

(67.5) Fifteen dollars and ninety-five cents ($15.95) from the unencumbered balance of category (c) of Item 3940-001-001 of the Budget Act of 1985.

(68) One hundred dollars ($100) from the unencumbered balance of category (b) of Item 4140-001-001 of the Budget Act of 1985.

(69) Fifteen thousand eight hundred ninety-two dollars and fifty cents ($15,892.50) from the unencumbered balance of category (a) of Item 4260-001-001 of the Budget Act of 1985.

(70) Eleven thousand forty-five dollars and forty-nine cents ($11,045.49) from the unencumbered balance of category (b) of Item 4260-001-001 of the Budget Act of 1985.

(71) Two thousand three hundred three dollars and seventy-seven cents ($2,303.77) from the unencumbered balance of category (b) of Item 4260-101-001 of the Budget Act of 1985.

(72) Nineteen thousand six hundred twenty-nine dollars and eighty-three cents ($19,629.83) from the unencumbered balance of category (a) of Item 4260-111-890 of the Budget Act of 1985.

(73) Twenty-six thousand four hundred sixty-six dollars ($26,466) from the unencumbered balance of category (a) of Item 4300-101-001 of the Budget Act of 1985.

(74) Sixty-seven dollars and nine cents ($67.09) from the unencumbered balance of category (b) of Item 4300-101-001 of the Budget Act of 1985.

(75) Forty-two thousand six hundred ninety-seven dollars and ninety-four cents ($42,697.94) from the unencumbered balance of category (a) of Item 4300-111-001 of the Budget Act of 1985.

(76) Two thousand twenty-four dollars ($2,024) from the

unencumbered balance of category (b) of Item 4440-001-001 of the Budget Act of 1985.

(77) Nine thousand four hundred ninety-two dollars and twenty-seven cents ($9,492.27) from the unencumbered balance of category (a) of Item 4440-011-001 of the Budget Act of 1985.

(78) Five thousand three hundred seventy-two dollars and sixteen cents ($5,372.16) from the unencumbered balance of category (b) of Item 4440-011-001 of the Budget Act of 1985.

(80) Thirteen thousand sixty-one dollars and twenty cents ($13,061.20) from the unencumbered balance of category (a) of Item 5100-001-870 of the Budget Act of 1985.

(82) Three thousand seven hundred fourteen dollars and seventy-two cents ($3,714.72) from the unencumbered balance of category (a) of Item 5160-001-001 of the Budget Act of 1985.

(83) Seventy-one dollars ($71) from the unencumbered balance of category (d) of Item 5160-001-001 of the Budget Act of 1985.

(84) One thousand fifty-five dollars and fifty-two cents ($1,055.52) from the unencumbered balance of category (a) of Item 5180-001-001 of the Budget Act of 1985.

(85) One thousand three hundred forty-five dollars and forty-one cents ($1,345.41) from the unencumbered balance of category (c) of Item 5180-001-001 of the Budget Act of 1985.

(86) Eight hundred fifty dollars ($850) from the unencumbered balance of category (d) of Item 5180-001-001 of the Budget Act of 1985.

(87) One hundred two thousand three hundred seventy-five dollars ($102,375) from the unencumbered balance of program (1) of category (b) of Item 5180-151-001 of the Budget Act of 1985.

(88) Twenty dollars ($20) from the unencumbered balance of category (b) of Item 5190-001-142 of the Budget Act of 1985.

(89) One hundred seven thousand two hundred fifty dollars and twenty-nine cents ($107,250.29) from the unencumbered balance of category (a) of Item 5240-001-001 of the Budget Act of 1985.

(90) One thousand one hundred fifty-one dollars and ninety-seven cents ($1,151.97) from the unencumbered balance of category (b) of Item 5240-001-001 of the Budget Act of 1985.

(90.5) Fourteen thousand seven hundred seven dollars and sixteen cents ($14,707.16) from the unencumbered balance of category (c) of Item 5240-001-001 of the Budget Act of 1985.

(91) Seven thousand four hundred one dollars and forty-two cents ($7,401.42) from the unencumbered balance of Item 5460-001-001 of the Budget Act of 1985.

(91.5) Five hundred fifty-two dollars and eight cents ($552.08) from the unencumbered balance of category (d) of Item 5460-001-001 of the Budget Act of 1985.

(92) Thirty-four thousand nine hundred sixty-seven dollars ($34,967) from the unencumbered balance of category (a) of Item 6100-001-001 of the Budget Act of 1985.

(93) Two thousand four hundred eighty-five dollars and

twenty-one cents ($2,485.21) from the unencumbered balance of category (b) of Item 6100-001-001 of the Budget Act of 1985.

(95) Twenty-five dollars and ninety-three cents ($25.93) from the unencumbered balance of category (a) of Item 6610-001-001 of the Budget Act of 1985.

(96) Seven thousand one hundred seventy-one dollars and twenty cents ($7,171.20) from the unencumbered balance of category (e) of Item 6610-001-001 of the Budget Act of 1985.

(97) Four thousand six hundred thirty-four dollars and forty-four cents ($4,634.44) from the unencumbered balance of category (b) of Item 6870-001-001 of the Budget Act of 1985.

(98) Two hundred one thousand nine hundred fifty dollars ($201,950) from the unencumbered balance of category (a) of Item 6870-101-001 of the Budget Act of 1985.

(100) Fifteen thousand nine hundred ten dollars ($15,910) from the unencumbered balance of Item 8260-101-001 of the Budget Act of 1985.

(101) Three hundred fifty-five dollars ($355) from the unencumbered balance of category (a) of Item 8300-001-001 of the Budget Act of 1985.

(102) One hundred twenty-nine dollars ($129) from the unencumbered balance of category (b) of Item 8300-001-001 of the Budget Act of 1985.

(102.5) Twelve dollars and twenty-five cents ($12.25) from the unencumbered balance of category (c) of Item 8300-001-001 of the Budget Act of 1985.

(103) Three thousand one hundred fifty-four dollars and fifty-six cents ($3,154.56) from the unencumbered balance of category (e) of Item 8350-001-001 of the Budget Act of 1985.

(104) Five hundred eleven dollars and eighty-one cents ($511.81) from the unencumbered balance of category (h) of Item 8350-001-001 of the Budget Act of 1985.

(105) One hundred twenty-four dollars ($124) from the unencumbered balance of category (a) of Item 8560-011-001 of the Budget Act of 1985.

(106) One hundred seventy-four dollars and twenty cents ($174.20) from the unencumbered balance of Item 8570-001-001 of the Budget Act of 1985.

(107) Four thousand five hundred thirty-five dollars and three cents ($4,535.03) from the unencumbered balance of category (h) of Item 8570-001-001 of the Budget Act of 1985.

(108) Three thousand eight hundred twenty-five dollars and seventy-six cents ($3,825.76) from the unencumbered balance of category (a) of Item 8660-001-412 of the Budget Act of 1985.

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

In order to settle claims against the state and to end a hardship to

claimants as quickly as possible, it is necessary for this act to take effect immediately.

CHAPTER 20

An act to amend Sections 5054, 5057, and 5058 of the Food and Agricultural Code, and to amend and repeal Section 21080.5 of the Public Resources Code, relating to pest control, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 14, 1986 Filed with Secretary of State March 17, 1986]

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

SECTION 1. Section 5054 of the Food and Agricultural Code is amended to read:

5054. Any action or proceeding to attack, review, set aside, void, or annul the activity of the director under this division or Division 5 (commencing with Section 9101) shall be brought pursuant to Section 1085.5 of the Code of Civil Procedure. It shall not be an abuse of discretion for the director, acting pursuant to statutory authority contained in this division or Division 5 (commencing with Section 9101), to use a material registered pursuant to Division 6 (commencing with Section 11401) or Division 7 (commencing with Section 12501), in a manner consistent with the registration, label restrictions, applicable regulations, and applicable provisions of federal law and in full compliance with all limitations, restrictions, or other criteria set forth in Divisions 5 (commencing with Section 9101), 6 (commencing with Section 11401), and 7 (commencing with Section 12501), provided that nothing herein shall limit review of a decision of the director to proceed with a control or eradication project.

SEC. 2. Section 5057 of the Food and Agricultural Code is amended to read:

5057. In determining whether to grant a pretrial order staying the underlying activities which are the subject of the petition, or a continuance, the court shall balance the irreparable injury to the petitioner as against the irreparable injury to the ability of the director to carry out the program and shall also consider whether the public interest will be adversely affected. The pretrial stay shall operate until the date of hearing, but in no case longer than 10 days, and shall expire thereafter unless a new stay is issued by the court.

SEC. 3. Section 5058 of the Food and Agricultural Code is amended to read:

5058. Where feasible, no trial or hearing on the merits shall be set less than three days prior to the beginning of the activities which are the subject of the challenge. The complaint and supporting

affidavits, declarations, and other evidence shall be filed and personally served no later than 10 days prior to the hearing, with responsive papers filed and personally served no later than five days prior to the hearing. Any reply shall be filed and personally served two days prior to the hearing, and shall not contain any new cause of action or new evidence unless it can be established that the facts giving rise to the cause of action or new evidence was not available at the original filing. No additional material may be filed by the parties at the time of hearing, unless it can be established the material was not available at the time of the filing of the responsive or reply papers, no prejudice will result to the opposing party or, the court is able to continue the matter without impairing the public interest.

SEC. 4. Section 21080.5 of the Public Resources Code, as amended by Chapter 1282 of the Statutes of 1985, is amended to read:

21080.5. (a) When the regulatory program of a state agency, board, or commission requires a plan or other written documentation, containing environmental information and complying with the requirements of paragraph (3) of subdivision (d), to be submitted in support of any of the activities listed in subdivision (b), the plan or other written documentation may be submitted in lieu of the environmental impact report required by this division; provided, that the Secretary of the Resources Agency has certified the regulatory program pursuant to this section.

(b) This section shall apply only to regulatory programs or portions thereof which involve either of the following:

(1) The issuance to a person of a lease, permit, license, certificate, or other entitlement for use.

(2) The adoption or approval of standards, rules, regulations, or plans for use in the regulatory program.

(c) A regulatory program certified pursuant to this section is exempt from the provisions of Chapter 3 (commencing with Section 21100) and Chapter 4 (commencing with Section 21150) and Section 21167.

(d) In order to qualify for certification pursuant to this section, a regulatory program shall require utilization of an interdisciplinary approach which will ensure the integrated use of the natural and social sciences in decisionmaking and shall meet all of the following criteria:

(1) The enabling legislation of the regulatory program shall:

(i) Include protection of the environment among its principal purposes.

(ii) Contain authority for the administering agency to promulgate rules and regulations for the protection of the environment, guided by standards set forth in the enabling legislation.

(2) The rules and regulations adopted by the administering agency shall:

(i) Require that an activity will not be approved or adopted as proposed if there are feasible alternatives or feasible mitigation

measures available which would substantially lessen any significant adverse impact which the activity may have on the environment.

(ii) Include guidelines for the orderly evaluation of proposed activities and the preparation of the plan or other written documentation in a manner consistent with the environmental protection purposes of the regulatory program.

(iii) Require the administering agency to consult with all public agencies which have jurisdiction, by law, with respect to the proposed activity.

(iv) Require that final action on the proposed activity include the written responses of the issuing authority to significant environmental points raised during the evaluation process.

(v) Require the filing of a notice of the decision by the administering agency on the proposed activity with the Secretary of the Resources Agency. Those notices shall be available for public inspection, and a list of the notices shall be posted on a weekly basis in the office of the Resources Agency. Each list shall remain posted for a period of 30 days.

(vi) Require notice of the filing of the plan or other written documentation to be made to the public and to any person who requests, in writing, notification. The notification shall be made in a manner that will provide the public or any person requesting notification with sufficient time to review and comment on the filing.

(3) The plan or other written documentation required by the regulatory program shall:

(i) Include a description of the proposed activity with alternatives to the activity, and mitigation measures to minimize any significant adverse environmental impact.

(ii) Be available for a reasonable time for review and comment by other public agencies and the general public.

(e) The Secretary of the Resources Agency shall certify a regulatory program which the secretary determines meets all the qualifications for certification set forth in this section, and withdraw certification on determination that the regulatory program has been altered so that it no longer meets those qualifications. Certification and withdrawal of certification shall occur only after compliance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

In determining whether or not a regulatory program meets the qualifications for certification set forth in this section, the inquiry of the Secretary of the Resources Agency shall extend only to the question of whether the regulatory program meets the generic requirements of subdivision (d). The inquiry shall not extend to individual decisions to be reached under the regulatory program, including the nature of specific alternatives or mitigation measures which might be proposed to lessen any significant adverse environmental effects of the activity.

In the event that the Secretary of the Resources Agency determines that the regulatory program submitted for certification

does not meet the qualifications for certification set forth in this section, the secretary shall adopt findings setting forth the reasons for the determination.

(f) After a regulatory program has been certified pursuant to this section, any proposed change in the program which could affect compliance with the qualifications for certification specified in subdivision (d) may be submitted to the Secretary of the Resources Agency for review and comment. The scope of the secretary's review shall extend only to the question of whether the regulatory program meets the generic requirements of subdivision (d). The review shall not extend to individual decisions to be reached under the regulatory program, including specific alternatives or mitigation measures which might be proposed to lessen any significant adverse environmental effects of the activity. The secretary shall have 30 days after receipt of the proposed change to notify the state agency, board, or commission whether the proposed change will alter the regulatory program so that it no longer meets the qualification for certification established in this section and will result in a withdrawal of certification as provided in this section.

(g) Any action or proceeding to attack, review, set aside, void, or annul a determination or decision of a state agency, board, or commission approving or adopting a proposed activity under a regulatory program which has been certified pursuant to this section on the basis that the plan or other written documentation prepared pursuant to paragraph (3) of subdivision (d) does not comply with the provisions of this section shall be commenced no later than 30 days from the date of the filing of notice of the approval or adoption of the activity.

(h) Any action or proceeding to attack, review, set aside, void, or annul a determination of the Secretary of the Resources Agency to certify a regulatory program pursuant to this section on the basis that the regulatory program does not comply with the provisions of this section shall be commenced within 30 days after certification by the secretary.

In any action brought under this subdivision, the inquiry shall extend only to whether there was a prejudicial abuse of discretion by the Secretary of the Resources Agency. Abuse of discretion is established if the secretary has not proceeded in a manner required by law or if the determination is not supported by substantial evidence.

(i) For purposes of this section, any county agricultural commissioner shall be considered a state agency.

(j) For purposes of this section, any air quality management district or air pollution control district shall be considered a state agency, except that the approval, if any, by such agency of a nonattainment area plan shall be subject to the provisions of this section only if, and to the extent that, such approval adopts or amends rules or regulations.

(k) Any program for the regulation of pesticides certified

pursuant to this section and Chapter 308 of the Statutes of 1978 shall apply to the use of pesticides by any state agency acting under authority of Divisions 4 (commencing with Section 5001) and 5 (commencing with Section 9101) of the Food and Agricultural Code in eradicating a plant or animal pest.

(*l*) This section shall remain in effect only until January 1, 1988, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1988, deletes or extends that date. If that date is not deleted or extended, then, on and after January 1, 1988, pursuant to Section 9611 of the Government Code, Section 21080.5 of the Public Resources Code, as amended by Section 1 of Chapter 58 of the Statutes of 1982, shall have the same force and effect as if this temporary provision had not been enacted.

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

In order to clarify provisions relating to the authority of the Director of Food and Agriculture to undertake pest control or eradication projects and to thereby provide more effective pest control, which benefits California's environment and agriculture, at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 21

An act to add Section 13117 to the Health and Safety Code, relating to liquefied petroleum gas.

[Approved by Governor March 16, 1986 Filed with Secretary of State March 17, 1986]

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

SECTION 1. Section 13117 is added to the Health and Safety Code, to read:

13117. (a) Any new detector or new automatic high pressure shutoff device sold by any person on or after January 1, 1987, in this state shall, prior to sale, be approved by the State Fire Marshal.

(b) For purposes of this section:

(1) "Liquefied petroleum gas" has the same meaning as that term is defined by Section 380 of the Vehicle Code.

(2) "Detector" means any electronic or mechanical device which monitors the unintended or accidental release of liquefied petroleum gas from any tank or other storage facility.

(3) "Automatic high pressure shutoff device" means a device which meets all of the following requirements:

(A) Senses excess pressure and automatically shuts off the

liquefied petroleum gas supply system before the pressure reaches a danger level.

(B) At the same time, signals the shutoff with a red indicator.

(C) Prevents the unit to be reset until the high pressure problem has been corrected.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

CHAPTER 22

An act to add and repeal Article 6.5 (commencing with Section 1310) of Chapter 2 of Division 2 of the Health and Safety Code, relating to health facilities, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 19, 1986. Filed with Secretary of State March 20, 1986]

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

SECTION 1. Article 6.5 (commencing with Section 1310) is added to Chapter 2 of Division 2 of the Health and Safety Code, to read:

Article 6.5. Demonstration Project for Alzheimer's Disease Institutes

1310. This article is known and may be cited as the "Duffy Alzheimer's Disease Institute Act."

1310.1. The Legislature finds and declares as follows:

(a) Alzheimer's disease is a clinical problem of major significance.

(b) In response to the growing recognition that this disorder is now a major health problem, it is necessary to establish Alzheimer's disease institutes as a demonstration project for the treatment of Alzheimer's disease and related dementias to provide the highest quality of care for patients and their families.

(c) The demonstration project shall provide a continuum of care for Alzheimer's disease and related dementias, and it shall provide a comprehensive array of complementing service modes operating as essential components.

(d) The project shall combine traditional programs with specialized strategies and interventions appropriate to meet the special needs of individuals afflicted with Alzheimer's disease or other related dementias, their caregivers, and their families.

1310.2. It is the intent of the Legislature that the office, in designating Alzheimer's disease institutes, shall give first priority to approving qualified applicants that propose to provide services in settings and facilities that serve patients with Alzheimer's disease exclusively. If an insufficient number of proposed exclusive providers apply, the office shall give second priority to qualified applicants that propose to provide services in settings and facilities that serve patients with Alzheimer's disease, as well as other patients.

1310.3. The purpose of the demonstration project established pursuant to this article is to accomplish all of the following:

(a) Demonstrate the efficacy of an integrated continuum of inpatient and outpatient services in providing improved services to patients with Alzheimer's disease and related dementias and their families.

(b) Demonstrate, through this integrated continuum of services, that coordinated clinical interventions can reduce lengths of stay for patients in an inpatient setting.

(c) Refine intervention and treatment modalities developed for the care of Alzheimer's victims and related dementias in order to provide improved protocols for the care of these patients in all settings.

1310.5. The specific objectives for each Alzheimer's disease institute established pursuant to this article are all of the following:

(a) To enhance accurate differential diagnosis of persons with symptoms of cognitive impairment.

(b) To provide comprehensive assessments of the health, well-being, and functional effectiveness of patients and their families.

(c) To provide a wide array of innovative therapeutic programs and strategies for the management, treatment, and rehabilitation of patients with Alzheimer's disease and related dementias.

(d) To offer a wide array of supportive services, as well as innovative treatment programs, for families and other caregivers.

(e) To provide opportunities for basic and clinical research to appropriately implement the purposes of Section 1310.3 in order to prevent or cure Alzheimer's disease and related dementias.

(f) To provide professional opportunities for educational development of professionals, family, and other caregivers.

(g) To identify and collect available information about Alzheimer's disease and related dementias, including, but not limited to, training guides, research reports, and the organization of a system for dissemination of materials.

1310.7. Unless the context otherwise requires, the following definitions shall govern construction of this article:

(a) "Day health care services" means those services that provide recreation, social contact, and access to medical rehabilitation care during the day.

(b) "Director" means the Director of Statewide Health and Planning and Development.

(c) "Home care services" means those health care and special support services provided in the home to serve the needs of patients with dementia and their families.

(d) "Hospice care" means a combination inpatient and home care program to maximize the comfort of the patient and optimize the quality of life for patients and families in the terminal phase of dementia.

(e) "Office" means the Office of Statewide Health Planning and Development.

(f) "Respite care" means inpatient and outpatient care provided on an intermittent basis to the patient to relieve the family or other caregivers from demands of home care for a period of time.

(g) "State department" means the State Department of Health Services.

1311. The office shall establish and administer a four-year demonstration project for the establishment of three Alzheimer's disease institutes. Approved projects shall be geographically distributed so that one project is located in southern, central, and northern California.

1311.1. (a) Applicants for projects shall be competively evaluated by the office, in consultation with the technical advisory committee specified in Section 1311.3, based on specific written criteria. The office shall consult with the Department of General Services on the specific written criteria to be used and the selection process.

(b) The office shall not solicit applications for participation in this demonstration project sooner than 30 days after the office has provided the chairpersons of the appropriate policy committees of each house of the Legislature with a report detailing the criteria and standards developed pursuant to Section 1311.5 for the project and for the selection process.

1311.2. (a) The criteria and standards under which projects shall operate, including those established pursuant to Section 1311.5, shall be comparable, as determined by the office, to the licensing requirements of adult day health facilities, home health agencies, and other facilities which provide services to patients with Alzheimer's disease.

(b) The state department shall be responsible for monitoring compliance with the criteria and standards established by the office pursuant to Section 1311.5 and shall have the authority to enforce compliance, except that the office shall retain the sole authority to withdraw or suspend, in whole or in part, a demonstration project designation.

(c) As a condition of participation in the demonstration project, each institute shall provide the statistical data and patient information that the office deems necessary. It is the intent of the Legislature that the office shall develop procedures to assure the confidentiality of patient information and shall only disclose patient information, including name identification, as is necessary to

administer this article or any other provision of law.

(d) The building facilities utilized by each institute for this demonstration project shall meet the requirements of Division 12.5 (commencing with Section 15000), except that the office may grant any variance deemed necessary, including a complete exemption for those facilities providing services not otherwise subject to these requirements, to facilitate the project, provided that the health and safety of the building occupants would not be jeopardized by the variance or exemptions. For the purpose of this article, all building facilities utilized by each institute shall be deemed to meet the definition specified in subdivision (a) of Section 15026.

1311.3. The director, not later than 30 days after the effective date of this article, shall convene an ad hoc advisory committee composed of not more than 11 members, including one representative from the Department of Aging, one representative from the state department, two representatives with experience operating acute care facilities, and one representative from a skilled nursing facility, which provides Alzheimer's disease programs, and any other persons who have professional or personal, but a nonfinancial, interest, as determined by the director. The members of the advisory committee who are not state officers or employees shall pay their own expenses related to participation on the committee, except that the director may waive this requirement for good cause.

1311.5. Commencing March 1, 1986, or as soon thereafter as is feasible, the office shall develop criteria and standards under which the demonstration project shall operate. The criteria and standards shall be completed on or before July 1, 1986, or as soon thereafter as is feasible. The criteria and standards shall include, but not be limited to, the objectives, services, and requirements delineated in Sections 1310.3 and 1310.5. Criteria and standards shall also include criteria for an evaluation of the demonstration project which shall be included in the report to the Legislature pursuant to Section 1313. The criteria and standards shall not include the provision of inpatient care services provided by acute care hospitals as defined in subdivision (a) of Section 1250, and licensed pursuant to Chapter 2 (commencing with Section 1250) of Division 2. These criteria and standards need not be adopted by the office as regulations.

1311.7. (a) An Alzheimer's disease institute shall meet all of the following requirements:

(1) The governing body of the institute or entity shall be the governing body of a licensed general acute care hospital, as defined in subdivision (a) of Section 1250.

(2) Implement an interagency agreement with a school of medicine to support all of the following:

(A) Clinical research.

(B) Preclinical, clinical, and postgraduate training of health science students.

(C) Professional education of physicians, registered nurses, and

other health care providers.

(D) Any other service which is necessary to establish continuity of care for patients.

(b) An Alzheimer's disease institute shall finance all operations of the institute.

1312. Services to be provided, or arranged for, by an Alzheimer's disease institute shall include, but not be limited to, the following:

(a) Intake management by an interdisciplinary team.

(b) Comprehensive assessment for the development of a treatment and management plan based upon an initial diagnostic evaluation.

(c) Diagnostic evaluation comprised of all of the following:

(1) Biopsycholosocial examination of the patients.

(2) Assessment of the family.

(3) A home visit, as appropriate.

(d) Case management of patients and, if appropriate, of families and other caregivers.

(e) The following specialty services shall be provided at least on a consultative or contractual basis:

(1) Internal medicine.

(2) Neurology.

(3) Neurosurgery.

(4) Psychiatry (preferably geriatric psychiatry).

(f) Various levels of care to be provided or arranged for, by an Alzheimer's disease institute shall be all of the following:

(1) Skilled nursing care.

(2) Intermediate care.

(3) Day health care.

(4) Outpatient care.

(5) Home care.

(6) Respite care.

(7) Hospice care.

(8) Referral services for individuals diagnosed as not having Alzheimer's disease.

1312.3. (a) The demonstration project required by this article shall be designated by the office no later than January 1, 1987.

(b) Multiple licenses or certificate of need requirements shall not be applicable to projects established pursuant to this article.

(c) Medi-Cal reimbursement will be utilized for eligible beneficiaries and services. However, nothing in this article provides for new Medi-Cal service categories or rates.

1312.5. A licensed health care facility which provides Alzheimer's disease services and which does not elect to participate in the demonstration project under this article, shall not be precluded from holding out, advertising, or conducting those services or programs.

1312.7. (a) The state department, in consultation with any other state agencies, shall pursue any federal waivers necessary to implement this pilot project.

(b) Any regulations the office or state department adopts to

implement this article shall be adopted as emergency regulations in accordance with Section 11346.1 of the Government Code, except that the regulations shall be exempt from the requirements of subdivisions (e), (f), and (g) of that section. The regulations shall be deemed an emergency for the purposes of Section 11346.1 of the Government Code and shall remain in effect until July 1, 1990, unless amended or repealed by the adopting agency.

1313. (a) The office shall charge each participant a reasonable fee, not to exceed seventy-five thousand dollars ($75,000) per year, in total, to cover the cost incurred by the office for administering this article.

(b) The state department may charge a fee, in addition to any levied pursuant to subdivision (a), to cover the costs pursuant to this article, provided that the facility involved in the project for which the fee would be assessed is not a licensed health facility, as defined by Section 1250. Fees charged by the state department shall not exceed the fees currently charged comparable health facilities licensed by the state department to cover the costs of performing its licensing and certification functions.

(c) The office and the state department shall notify each institute, in writing, by July 1 of each year of the fee being assessed. The fee assessed each institute shall be due and remitted by July 30 of the year in which it was assessed.

1313.3. The office shall submit an annual report to the Legislature commencing on or before January 1, 1988, concerning the progress of the demonstration project. The report shall include, but is not limited to, the number of participants served, a description of the services provided and the cost per service and per patient (for the entire institute) in the aggregate. A final report shall be submitted by the office to the Legislature on or before January 1, 1990, which shall include all of the information required in the above-described progress reports, an evaluation of the demonstration project, and a description of the legislative and regulatory changes that would be required to make the institutes established pursuant to this article permanent.

1313.5. This article shall remain in effect until July 1, 1990, and as of that date is repealed, unless a later enacted statute, which is enacted before July 1, 1990, deletes or extends that date.

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

Alzheimer's disease institutes are desperately needed to treat the growing number of persons afflicted with Alzheimer's disease and related dementias and it is, therefore, necessary that this act go into immediate effect.

CHAPTER 23

An act relating to air transportation.

[Approved by Governor March 19, 1986 Filed with Secretary of State March 20, 1986]

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

SECTION 1. That allocation totaling five thousand dollars ($5,000) from the Aeronautics Account in the State Transportation Fund made by the Department of Transportation to the City of Atwater and expended by that city for airport purposes at the Atwater Municipal Airport during the 1977–78 and 1978–79 fiscal years is hereby ratified, validated, confirmed, and declared legally effective for all purposes.

SEC. 2. The Legislature finds and declares that Section 1 of this act is necessary since special facts and circumstances applicable to the City of Atwater, and not generally applicable, make the accomplishment of this purpose impossible by any general law. There exists a dispute as to the validity of an allocation made by the Department of Transportation to the City of Atwater from the Aeronautics Account in the State Transportation Fund for airport purposes based on a good faith expenditure of these funds. The Legislature further finds and declares that these are the only such expenditures of funds involved, that the purpose of this act is impossible to accomplish by any general law, and that a special statute within the meaning of Section 16 of Article IV of the California Constitution applicable only to the City of Atwater is therefore necessary.

CHAPTER 24

An act to amend Sections 19596.5, 19612, and 19615 of, and to add Sections 19498, 19610.4, and 19619.6 to, the Business and Professions Code, to add Sections 4402 and 4403 to the Food and Agricultural Code, and to amend Section 22 of Chapter 1440 of the Statutes of 1985, relating to fairs and horseracing, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 21, 1986 Filed with Secretary of State March 21, 1986.]

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

SECTION 1. Section 19498 is added to the Business and Professions Code, to read:

19498. (a) Any association other than a fair which conducts a horseracing meeting with an average daily handle of one million five hundred thousand dollars ($1,500,000) or more shall produce a live audiovisual signal of its racing program and shall make this signal available at a reasonable cost, as determined by the board, to any satellite wagering facility authorized to conduct wagering pursuant to Section 19596.5.

(b) Any fair or any association with an average daily handle of less than one million five hundred thousand dollars ($1,500,000) may produce, at its option, a live audiovisual signal of its racing program. If the fair or association produces a signal of its program, the signal shall be made available at a reasonable cost, as determined by the board, to any satellite wagering facility authorized to conduct wagering pursuant to Section 19596.5.

(c) An association or fair may discontinue transmission of its signal to any satellite wagering facility which is found by the board to be in material breach of its obligation to pay the costs of producing and transmitting the signal, to have made an unauthorized use of the signal, to have violated the board's regulations regarding exclusion of persons pursuant to Section 19572, or to otherwise be in substantial noncompliance with this chapter.

SEC. 2. Section 19596.5 of the Business and Professions Code is amended to read:

19596.5. (a) Notwithstanding any other provision of law, the board may authorize an association licensed to conduct a racing meeting in the northern zone to operate a satellite wagering facility at its racetrack inclosure, except during the part of the day the association is conducting racing at its racetrack, if all of the following conditions are met:

(1) The association operating the satellite wagering facility has executed an agreement approved by the board with the association conducting a racing meeting in the northern zone that authorizes parimutuel wagering at the satellite wagering facility. The agreement shall provide that the wagers made at the satellite wagering facility will be included in the appropriate conventional or exotic pool at the racetrack where the racing meeting is conducted.

(2) The horsemen's organization which represents the horsemen at the association which conducts the racing meeting on which wagers are accepted consents to the acceptance of wagers at the satellite wagering facility.

(3) The accommodations and equipment used in conducting wagering at the satellite wagering facility and their location have been approved by the board.

(4) The method used by the satellite wagering facility to transmit wagers, odds, results, and other data related to wagering has been approved by the board.

(b) The deductions from wagers at satellite wagering facilities shall be the same as the deductions for wagers at the racetrack where the racing meeting is being conducted. Notwithstanding any other

provision of law, 2 percent of the amount handled by the satellite wagering facility shall be retained as a commission. The funds remaining after distribution of the 2 percent commission shall be distributed in the same relative percentages (reduced pro rata for the 2 percent commission) as provided by Article 9.5 (commencing with Section 19610) for the association which conducts the racing meeting, except that commencing January 1, 1988, the funds available for distribution to the association which conducts the racing meeting and for distribution to the horsemen, in the form of purses, shall be accumulated and shall be distributed equally between (1) the association which conducts the racing meeting and (2) the horsemen, in the form of purses, who participate in the racing meeting of the association which conducts the racing meeting.

(c) All revenues payable to the state from satellite wagering facilities located at fairs shall be deposited in a separate account in the fund and, notwithstanding Section 13340 of the Government Code, are hereby continuously appropriated to the Department of Food and Agriculture, for allocation by the director in his or her discretion, for (1) repayment of the principal of, and interest on, bonds issued by a joint powers agency, or of other debt service incurred, for the purpose of constructing improvements only at a fair's racetrack inclosure, (2) for repayment of expenses incurred by fairs in establishing and operating satellite wagering facilities, (3) for health and safety repair projects at fairs, and (4) for support purposes of fairs generally.

SEC. 3. Section 19610.4 is added to the Business and Professions Code, to read:

19610.4. Notwithstanding Section 19610.3, any association which conducts a racing meeting pursuant to Section 19549.3 or 19549.9 shall deduct an additional amount of 0.33 of 1 percent from the total parimutuel wagers placed within its inclosure.

The amounts deducted pursuant to this section shall be distributed to the city in which the racing meeting is conducted or, if the meeting is conducted outside the limits of any city, to the county in which the racing meeting is conducted. If a city or county has elected by ordinance to receive a distribution from a racing association under this section, it shall not at any time thereafter assess or collect, with respect to an event conducted by that racing association, any license or excise tax or fee, including, but not limited to, any admission, parking, or business tax, or any tax or fee levied solely upon the racing association conducting a racing meeting or any racing patron. Furthermore, a city or county electing to receive a distribution under this section shall provide ordinary and traditional municipal services, such as police services and traffic control, in connection with the racing meetings. If an eligible city or county does not elect to receive a distribution under this section, the amount deducted shall be paid to the state as an additional license fee.

SEC. 4. Section 19612 of the Business and Professions Code is amended to read:

19612. (a) Except as otherwise provided, every association which conducts a harness or quarter horse race meeting shall pay a daily license fee at the following rates based upon its daily conventional and exotic parimutuel handle:

Daily Handle	License Fee Rate
$550,000 or less	2.5 percent of handle
$550,001 to $750,000	$13,750 plus 5.5 percent of the handle in excess of $550,001
$750,001 and more	$24,750 plus 4.7 percent of the handle in excess of $750,001

In addition, every association subject to this subdivision shall pay an additional license fee at the rate of 0.75 percent of its daily exotic parimutuel handle. Except as provided in Section 19610.5, no such association shall pay a license fee in excess of 3.8 percent of the daily conventional parimutuel handle and 4.55 percent of the daily exotic parimutuel handle.

(b) With respect to quarter horse meetings, all funds remaining from the deductions provided in Sections 19610, 19491, and 19491.5, after distribution of the applicable license fee, shall be distributed 55 percent as commissions and 45 percent as purses. With respect to harness meetings, except for meetings conducted pursuant to Section 19549.2, the funds remaining from deductions provided in Section 19610, after distribution of the applicable license fee, shall be distributed 59.5 percent as commissions and 40.5 percent as purses. For meetings conducted pursuant to Section 19549.2, the funds remaining from deductions provided in Section 19610, after distribution of the applicable license fee, shall be distributed 50 percent as commissions and 50 percent as purses.

(c) Every harness association which conducted its racing meeting in a single continuous period prior to January 1, 1979, or any transferee or successor or subsequent transferee or successor of the business or assets of the association, and thereafter conducts a split racing meeting, shall pay a daily license fee based upon its daily conventional and exotic parimutuel handle in accordance with the following schedule:

Daily Handle	License Fee Rate
$1,000,000 or less	1.5 percent of handle
$1,000,001 and more	$15,000 plus 10.7 percent of the handle in excess of $1,000,001

In addition, every such association shall pay an additional license fee at the rate of 0.75 percent of its daily exotic parimutuel handle. Except as provided in Section 19610.5, no such association shall pay a license fee in excess of 3.04 percent of its daily conventional parimutuel handle and 3.79 percent of its daily exotic parimutuel handle.

(d) Every quarter horse association which conducted its racing

meeting in the northern zone prior to January 1, 1979, or which conducts its meeting pursuant to Section 19549.3 or 19549.9, shall pay a daily license fee based upon its daily conventional and exotic parimutuel handle in accordance with the following schedule:

Daily Handle	License Fee Rate
$550,000 or less	1.5 percent of handle
$550,001 to $750,000	$8,250 plus 2.75 percent of the handle in excess of $550,001
$750,001 and more	$13,750 plus 4.7 percent of the handle in excess of $750,001

In addition, every such association shall pay an additional license fee at the rate of 0.75 percent of its daily exotic parimutuel handle. Except as provided in Section 19610.5, no such association shall pay a license fee in excess of 3.8 percent of the daily conventional parimutuel handle and 4.55 percent of its daily exotic parimutuel handle.

(e) Every association which conducted a quarter horse racing meeting in the southern zone during the daytime prior to January 1, 1979, and thereafter conducts such a meeting at night, shall be entitled to the following license fee adjustment:

For each 1 percent that the association's average daily handle in the 1981 year, during the period from the commencement of the meeting to December 25, falls below its 1980 average daily handle during the same period, the amount of the applicable license fee as set forth in subdivision (a) shall be reduced by 2 percent.

(f) Any association qualified to operate its meetings pursuant to Section 19612.6 shall be entitled to continue to distribute license fees, commissions, and purses as provided by that section.

(g) Notwithstanding subdivision (b), for every association which conducts a quarter horse meeting in the northern zone pursuant to subdivision (d), the amount remaining after deduction of the state license fee shall be distributed between commissions and purses as agreed to by the association conducting the meeting and the organization representing the horsemen participating at the meeting. Every association conducting a quarter horse meeting pursuant to subdivision (d) may deduct an additional amount up to 1 percent of its conventional and exotic parimutuel pools to be distributed as commissions. The association may also deduct an additional 1 percent from the exotic parimutuel pools to be distributed as commissions and purses as agreed to by the association conducting the meeting and the organization representing the horsemen participating at the meeting.

SEC. 5. Section 19615 of the Business and Professions Code is amended to read:

19615. (a) The board shall provide a method for estimating the aggregate handle for each association's proposed race meeting. Estimates may be revised during the course of the meeting. Based upon the estimate, each association shall pay its license fee weekly, and

purses shall be reasonably allocated over the period of the association's anticipated race meeting pursuant to a purse program developed by the association in consultation with the horsemen's organization contracting with the association with respect to the conduct of racing meetings subject to approval of the board.

(b) Within seven days after the close of a race meeting an association shall pay any license fee theretofore unpaid, or shall have refunded to it any excess license fee theretofore paid.

(c) If, at the close of a thoroughbred racing meeting, it is determined that the association conducting the meeting has not made payments to or for the benefit of owners and breeders of horses in an amount equaling the percentages set forth in this chapter, any excess shall be deducted from, and any deficiency not in excess of an amount agreed upon between the association and the horsemen's organization contracting with the association with respect to the conduct of racing meetings shall be added to the amount the association is required to pay to or for the benefit of owners and breeders of horses at its racing meeting in the following calendar year. Any deficiency in excess of the amount agreed upon shall be distributed as provided in the agreement.

(d) If, at the close of any other racing meeting, it is determined that the association conducting the meeting has not made payments to or for the benefit of owners and breeders of horses in an amount equaling the percentages set forth in this chapter, any excess shall be deducted from, and any deficiency shall be added to, the amount the association is required to pay to or for the benefit of owners and breeders of horses at its racing meeting in the following calendar year.

(e) Any two associations conducting a meeting pursuant to Section 19612.6 may, with the approval of the board, combine their excesses or deficiencies from prior meetings if the associations and the organizations representing the horsemen all agree.

(f) Any associations conducting a harness meeting in the northern zone, including an association conducting any meeting pursuant to Section 19549.3, may, with the approval of the board, combine their excesses or deficiencies from prior meetings if the associations and the organizations representing horsemen all agree.

SEC. 6. Section 19619.6 is added to the Business and Professions Code, to read:

19619.6. Every association which provides a live audiovisual signal of its program to a satellite wagering facility pursuant to Section 19498 shall cooperate with the operator of the satellite wagering facility with respect to arrangements with the on-track totalizator company for access to its on-track totalizator system for purposes of combining parimutuel pools.

SEC. 7. Section 4402 is added to the Food and Agricultural Code, to read:

4402. The department may expend funds appropriated by Section 22 of Chapter 1440 of the Statutes of 1985 in the 1985–86 and

1986–87 fiscal years for capital outlay and deferred and major maintenance projects of a health and safety nature at county fairs, district agricultural association fairs, and citrus fruit fairs.

SEC. 8. Section 4403 is added to the Food and Agricultural Code, to read:

4403. (a) A county fair, district agricultural association fair, or citrus fruit fair may expend funds for promotional and public relations purposes of the fair.

(b) The department may expend funds for promotional and public relations purposes for county fairs, district agricultural association fairs, and citrus fruit fairs.

SEC. 9. Section 22 of Chapter 1440 of the Statutes of 1985 is amended to read:

Sec. 22. The sum of two million dollars ($2,000,000) of the settlement funds received by the state pursuant to Section 8(g) of the Outer Continental Shelf Lands Act (43 U.S.C. Sec. 1337(g)) is hereby appropriated to the Department of Food and Agriculture for expenditure pursuant to Section 4402 of the Food and Agricultural Code.

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

In order that this act may apply to the current racing season and that fairs may receive needed funds as soon as possible, it is necessary that this act take effect immediately.

CHAPTER 25

An act to amend Sections 9384 and 15620 of, to add Chapter 13 (commencing with Section 15750) to Part 3 of Division 9 of, the Welfare and Institutions Code, relating to dependent adult abuse.

[Approved by Governor March 21, 1986 Filed with Secretary of State March 21, 1986]

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

SECTION 1. Section 9384 of the Welfare and Institutions Code is amended to read:

9384. Each county shall report monthly to the State Department of Social Services on the number of reports of abuse received pursuant to this chapter.

SEC. 2. Section 15620 of the Welfare and Institutions Code is amended to read:

15620. The State Department of Social Services shall submit a report to the Legislature and Governor on the characteristics of abuse victims. The State Department of Social Services shall

incorporate any and all comments or observations on abuse of the elderly as defined in Section 9380. The State Department of Social Services, in consultation with the State Department of Developmental Services, the Department of Justice, county adult protective services agencies, and agencies designated by contract to receive reports of abuse pursuant to this chapter, shall design the report form for dependent adult abuse. The counties, or the designated contract agency shall submit reports to the department on dependent adult abuse monthly.

SEC. 3. Chapter 13 (commencing with Section 15750) is added to Part 3 of Division 9 of the Welfare and Institutions Code, to read:

CHAPTER 13. ADULT PROTECTIVE SERVICES

15750. Each county welfare department shall establish and support a system of protective services to elderly and dependent adults who may be subjected to neglect, abuse, or exploitation or who are unable to protect their own interest.

This system shall be known as the county adult protective services system.

15751. Each county shall establish and maintain a specialized entity within the county welfare department which shall have lead responsibility for the operation of the adult protective services program.

15752. "Adult protective services" means those preventive and remedial activities performed on behalf of dependent individuals 18 years or older who meet any of the following criteria:

(a) They are unable to protect their own interests.

(b) They are harmed or threatened with harm.

(c) They are caused physical or mental injury due to ignorance, illiteracy, incompetence, or poor health.

(d) They are lacking in adequate food, shelter, or clothing.

(e) They are exploited of their income and resources, or deprived of an entitlement due them.

15753. Adult protective services may include, but are not limited to, investigations, needs assessment, a system in which reporting of abuse can occur on a 24-hour basis, emergency shelter, and adult respite care.

CHAPTER 26

An act to amend Section 11023 of, and to add Section 11010.8 to, the Business and Professions Code, relating to real property, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 21, 1986 Filed with Secretary of State March 21, 1986]

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

SECTION 1. Section 11010.8 is added to the Business and Professions Code, to read:

11010.8. (a) The requirement that a notice of intention be filed pursuant to Section 11010 is not applicable to the purchase of a mobilehome park by a nonprofit corporation if all of the following occur:

(1) A majority of the shareholders or members of the nonprofit corporation constitute a majority of the tenants of the mobilehome park and majority of the members of the board of directors of the nonprofit corporation are tenants of the mobilehome park.

(2) The shareholders or members of the nonprofit corporation do not represent expressly or by implication that any shareholder or member of the corporation will receive a separate subdivided interest in any portion of the mobilehome park as a result of the purchase.

(3) The nonprofit corporation does not sell or lease, or offer for sale or lease, or otherwise transfer any separate subdivided interest in any portion of the mobilehome park without first obtaining a public report from the Real Estate Commissioner.

(4) All funds of tenants for the purchase of the mobilehome park are deposited in escrow until the document transferring title of the mobilehome park to the nonprofit corporation is recorded.

(b) "Separate subdivided interest," as used in subdivision (a), has the same meaning as "subdivided lands" or "subdivision" as defined by Sections 11000, 11000.1, or 11004.5.

SEC. 2. Section 11023 of the Business and Professions Code is amended to read:

11023. Any person who violates Section 11010, 11010.1, 11010.8, 11013.1, 11013.2, 11013.4, 11018.2, 11018.7, 11019, or 11022 is guilty of a public offense punishable by a fine not exceeding ten thousand dollars ($10,000) or by imprisonment in the state prison, or in the county jail not exceeding one year, or by both that fine and imprisonment.

SEC. 3. The sum of twelve thousand dollars ($12,000) is hereby appropriated from the Motor Vehicle Account in the State Transportation Fund to the Department of Motor Vehicles in augmentation of category (3) (70.18.010) of Item 2740-301-044 of the

Budget Act of 1984 (Chapter 258 of the Statutes of 1984), as reappropriated by category (1) of Item 2740-490 of the Budget Act of 1985 (Chapter 111 of the Statutes of 1985), for increase in the administrative acquisition costs, as defined in Section 9.20 of the Budget Act of 1985, for the purposes of site search, expenses, site suitability report, environmental documentation, appraisal, and other necessary administrative costs to acquire a site for the Pomona field office.

SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

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

In order to provide opportunities for the purchase of mobilehome parks by nonprofit corporations formed by tenants of those mobilehome parks as soon as possible, and to permit acquisition and preliminary plans for an urgently needed office building and parking facility in the City of Pomona to be completed at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 27

An act to amend Sections 7065.1, 7071.9, 7083, 7090.1, and 7099 of, and to add Section 7071.7 to, the Business and Professions Code, relating to contractors.

[Approved by Governor March 21, 1986 Filed with Secretary of State March 21, 1986]

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

SECTION 1. Section 7065.1 of the Business and Professions Code is amended to read:

7065.1. Notwithstanding Section 7065, the registrar may waive the examination for a contractor's license under any of the following circumstances:

(a) The qualifying individual has, for five of the seven years immediately preceding the application for licensure, been listed on the official records of the board as a member of the personnel of any licensee who held an active license, which was in good standing, in the same classification being applied for.

(b) The qualifying individual is an immediate member of the family of a licensee whose individual license was active and in good

standing for five of the seven years immediately preceding the application for licensure, and the qualifying individual is able to show all of the following:

(1) The qualifying individual has been actively engaged in the licensee's business for five of the seven years immediately preceding the application for licensure.

(2) The license is required to continue the existing family business in the event of the absence or death of the licensee.

(3) An application is made for a new license in the same classifications in which the licensee is or was licensed.

(c) The qualifying individual is an employee of a corporation seeking to replace its former qualifying individual and has been employed by that corporation under the following conditions:

(1) For five of the seven years immediately preceding the application for licensure, the qualifying individual has been continually employed by the corporation in a supervisory capacity in the same classifications being applied for.

(2) For five of the seven years immediately preceding the application for licensure, the corporation has held an active license in good standing in the same classifications being applied for.

For purposes of this section, employees of a corporation shall include, but not be limited to, the officers of a corporation.

SEC. 2. Section 7071.7 is added to the Business and Professions Code, to read:

7071.7. (a) Except as provided in subdivision (b), the registrar shall accept a bond required by Section 7071.6, 7071.8, or 7071.9 as of the effective date shown on the bond, if the bond is received by the registrar within 90 days after that date, and shall reinstate the license to which the bond pertains, if otherwise eligible, retroactive to the effective date of the bond.

(b) Notwithstanding subdivision (a), the registrar shall accept a bond as of the effective date shown on the bond, even if the bond is not received by the registrar within 90 days after that date, upon a showing by the licensee, on a form acceptable to the registrar, that the failure to have a bond on file was due to circumstances beyond the control of the licensee. The registrar shall reinstate the license to which the bond pertains, if otherwise eligible, retroactive to the effective date of the bond.

SEC. 3. Section 7071.9 of the Business and Professions Code is amended to read:

7071.9. (a) If the qualifying individual, as referred to in Sections 7068 and 7068.1, is not either the proprietor, a general partner, or joint licensee, he or she shall file or have on file a qualifying individual's bond as provided in Section 7071.10 in the sum of five thousand dollars ($5,000). This bond is in addition to, and may not be combined with, any contractor's bond required by Sections 7071.5 to 7071.8, inclusive, and is required for the issuance, reinstatement, reactivation, or continued valid use of a license.

(b) The responsible managing officer of a corporation shall not be

required to file or have on file a qualifying individual's bond, if he or she owns 10 percent or more of the voting stock of the corporation and certifies to that fact on a form prescribed by the registrar.

SEC. 4. Section 7083 of the Business and Professions Code is amended to read:

7083. All licensees shall notify the registrar in writing within 90 days of any change to information recorded under this chapter, in a format prescribed by the registrar. This notification requirement shall include, but not be limited to, changes in address, personnel, name style, bond exemption pursuant to Section 7071.9, or exemption to qualify multiple licenses pursuant to Section 7068.1.

SEC. 5. Section 7090.1 of the Business and Professions Code is amended to read:

7090.1. Notwithstanding any other provisions of law, the failure to pay a civil penalty, or to comply with an order of correction or an order to pay a specified sum to an injured party in lieu of correction once the order has become final, shall be grounds for denial of, or the refusal to renew, a license.

SEC. 6. Section 7099 of the Business and Professions Code is amended to read:

7099. If, upon investigation, the registrar has probable cause to believe that a licensee, or an applicant for a license under this chapter, has violated provisions of this chapter which are grounds for denial, revocation, or suspension of license, he or she may, in lieu of proceeding pursuant to this article, issue a citation to the licensee or applicant. Each citation shall be in writing and shall describe with particularity the nature of the violation, including a reference to the provision of this chapter alleged to have been violated. In addition, each citation may contain an order of correction fixing a reasonable time for correction of the violation or an order, against the licensee only, for payment of a specified sum to an injured party in lieu of correction, and may contain an assessment of a civil penalty.

CHAPTER 28

An act to add Section 40809 to the Health and Safety Code, relating to air pollution.

[Approved by Governor March 21, 1986. Filed with Secretary of State March 21, 1986.]

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

SECTION 1. Section 40809 is added to the Health and Safety Code, to read:

40809. (a) The office of the county counsel may represent both the district and the hearing board on a matter relating to a hearing before the hearing board as long as the same individual attorney does

not represent both the district and the hearing board.

(b) This section does not apply to the bay district or the south coast district.

CHAPTER 29

An act to amend Section 214 of the Revenue and Taxation Code, relating to property taxation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 21, 1986 Filed with Secretary of State March 21, 1986]

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

SECTION 1. Section 214 of the Revenue and Taxation Code is amended to read:

214. (a) Property used exclusively for religious, hospital, scientific, or charitable purposes owned and operated by community chests, funds, foundations or corporations organized and operated for religious, hospital, scientific, or charitable purposes is exempt from taxation if:

(1) The owner is not organized or operated for profit; provided, that in the case of hospitals, such organization shall not be deemed to be organized or operated for profit, if during the immediate preceding fiscal year the excess of operating revenues, exclusive of gifts, endowments and grants-in-aid, over operating expenses shall not have exceeded a sum equivalent to 10 percent of such operating expenses. As used herein, operating expenses shall include depreciation based on cost of replacement and amortization of, and interest on, indebtedness.

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

(3) The property is used for the actual operation of the exempt activity, and does not exceed an amount of property reasonably necessary to the accomplishment of the exempt purpose.

(4) The property is not used or operated by the owner or by any other person so as to benefit any officer, trustee, director, shareholder, member, employee, contributor, or bondholder of the owner or operator, or any other person, through the distribution of profits, payment of excessive charges or compensations or the more advantageous pursuit of their business or profession.

(5) The property is not used by the owner or members thereof for fraternal or lodge purposes, or for social club purposes except where such use is clearly incidental to a primary religious, hospital, scientific, or charitable purpose.

(6) The property is irrevocably dedicated to religious, charitable, scientific, or hospital purposes and upon the liquidation, dissolution

or abandonment of the owner will not inure to the benefit of any private person except a fund, foundation or corporation organized and operated for religious, hospital, scientific, or charitable purposes.

(7) The property, if used exclusively for scientific purposes, is used by a foundation or institution which, in addition to complying with the foregoing requirements for the exemption of charitable organization in general, has been chartered by the Congress of the United States (except that this requirement shall not apply when the scientific purposes are medical research), and whose objects are the encouragement or conduct of scientific investigation, research and discovery for the benefit of the community at large.

The exemption provided for herein shall be known as the "welfare exemption." This exemption shall be in addition to any other exemption now provided by law and the existence of the exemption provision in paragraph (2) of subdivision (a) of Section 202 shall not preclude the exemption under this section for museum or library property. Except as provided in subdivision (e), this section shall not be construed to enlarge the college exemption.

(b) Property used exclusively for school purposes of less than collegiate grade and owned and operated by religious, hospital or charitable funds, foundations or corporations, which property and funds, foundations or corporations meet all of the requirements of subdivision (a), shall be deemed to be within the exemption provided for in subdivision (b) of Section 4 and Section 5 of Article XIII of the Constitution of the State of California and this section.

(c) Property used exclusively for nursery school purposes and owned and operated by religious, hospital or charitable funds, foundations or corporations, which property and funds, foundations or corporations meet all the requirements of subdivision (a), shall be deemed to be within the exemption provided for in subdivision (b) of Section 4 and Section 5 of Article XIII of the Constitution of the State of California and this section.

(d) Property used exclusively for a noncommercial educational FM broadcast station or an educational television station and owned and operated by religious, hospital, scientific or charitable funds, foundations or corporations meeting all of the requirements of subdivision (a), shall be deemed to be within the exemption provided for in subdivision (b) of Section 4 and Section 5 of Article XIII of the Constitution of the State of California and this section.

(e) Property used exclusively for religious, charitable, scientific, or hospital purposes and owned and operated by religious, hospital, scientific, or charitable funds, foundations, or corporations or educational institutions of collegiate grade, as defined in Section 203, which property and funds, foundations, corporations, or educational institutions meet all of the requirements of subdivision (a), shall be deemed to be within the exemption provided for in subdivision (b) of Section 4 and Section 5 of Article XIII of the Constitution of the State of California and this section. As to educational institutions of collegiate grade, as defined in Section 203, the requirements of

paragraph (6) of subdivision (a) shall be deemed to be met if both of the following are met:

(1) The property of the educational institution is irrevocably dedicated in its articles of incorporation to charitable and educational purposes, to religious and educational purposes, or to educational purposes.

(2) The articles of incorporation of the educational institution provide for distribution of its property upon its liquidation, dissolution, or abandonment to a fund, foundation, or corporation organized and operated for religious, hospital, scientific, charitable, or educational purposes meeting the requirements for exemption provided by Section 203 or this section.

(f) Property used exclusively for housing and related facilities for elderly or handicapped families and financed by, including, but not limited to, the federal government pursuant to Section 202 of Public Law 86-372 (12 U.S.C. Sec. 1701q), as amended, Section 231 of Public Law 73-479 (12 U.S.C. Sec. 1715v), or Section 236 of Public Law 90-448 (12 U.S.C. Sec. 1715z), and owned and operated by religious, hospital, scientific or charitable funds, foundations or corporations meeting all of the requirements of this section shall be deemed to be within the exemption provided for in subdivision (b) of Section 4 and Section 5 of Article XIII of the Constitution of the State of California and this section. The amendment of this paragraph made at the 1983–84 Regular Session of the Legislature does not constitute a change in, but is declaratory of, the existing law. However, no refund of property taxes shall be required as a result of this amendment for any fiscal year prior to the fiscal year in which the amendment takes effect.

Property used exclusively for housing and related facilities for elderly or handicapped families at which supplemental care or services designed to meet the special needs of elderly or handicapped residents are not provided, or which is not financed by the federal government pursuant to Section 202 of Public Law 86-372 (12 U.S.C. Sec. 1701q), as amended, Section 231 of Public Law 73-479 (12 U.S.C. Sec. 1715v), or Section 236 of Public Law 90-448 (12 U.S.C. Sec. 1715), shall not be entitled to exemption pursuant to this subdivision unless the property is used for housing and related facilities for low- and moderate-income elderly or handicapped families. Property which would otherwise be exempt pursuant to this subdivision, except that it includes some housing and related facilities for other than low- or moderate-income elderly or handicapped families, shall be entitled to a partial exemption. The partial exemption shall be equal to that percentage of the value of the property which is equal to the percentage which the number of low- and moderate-income elderly and handicapped families occupying the property is of the total number of families occupying the property.

As used in this subdivision, "low and moderate income" has the same meaning as the term "persons and families of low or moderate

income" as defined by Section 50093 of the Health and Safety Code.

SEC. 2. The amendment of subdivision (e) in Section 214 of the Revenue and Taxation Code made by Section 1 of this act shall be operative for the 1986–87 fiscal year and fiscal years thereafter.

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

In order to clarify at the earliest possible time the Legislature's intent with respect to the administration of provisions enacted in 1985 which are to be effective for the 1986–87 fiscal year, it is necessary that this act take effect immediately.

CHAPTER 30

An act to amend Section 2097 of the Fish and Game Code, relating to endangered species.

[Approved by Governor March 21, 1986 Filed with Secretary of State March 21, 1986.]

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

SECTION 1. Section 2097 of the Fish and Game Code is amended to read:

2097. This article shall remain in effect only until July 1, 1988, and as of that date is repealed, unless a later enacted statute, which is chaptered before July 1, 1988, deletes or extends that date.

CHAPTER 31

An act to amend Section 13260 of, and to add Section 50906 to, the Water Code, relating to water resources, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 21, 1986 Filed with Secretary of State March 21, 1986]

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

SECTION 1. Section 13260 of the Water Code is amended to read:

13260. (a) All of the following persons shall file with the regional board of that region a report of the discharge, containing the information which may be required by the regional board:

(1) Any person discharging waste or proposing to discharge waste within any region that could affect the quality of the waters of the

state, other than into a community sewer system.

(2) Any person who is a citizen, domiciliary, or political agency or entity of this state discharging waste or proposing to discharge waste outside the boundaries of the state in a manner that could affect the quality of the waters of the state within any region.

(3) Any person proposing to construct an injection well.

(b) No report need be filed pursuant to subdivision (a) if the requirement is waived pursuant to Section 13269.

(c) Every person subject to subdivision (a) shall file with the regional board of that region a report of any material change or proposed change in the character, location, or volume of the discharge.

(d) Each report submitted under this section shall be sworn to or submitted under penalty of perjury.

(e) Each report submitted under this section shall be accompanied by a filing fee of not to exceed fifty thousand dollars ($50,000) according to a reasonable fee schedule established by the state board. Fees shall be calculated on the basis of total flow, volume, number of animals, or area involved and shall be reasonably related to the costs to the regional board.

(f) The state board shall adopt regulations setting forth reasonable time limits within which the regional board shall determine the adequacy of a report submitted under this section.

SEC. 2. Section 50906 is added to the Water Code, to read:

50906. Reclamation District No. 1004 may, in conjunction with the County of Colusa, construct, maintain, and operate a plant for the generation of hydroelectric power, together with transmission lines for the conveyance thereof and with other facilities that may be necessary or appropriate for the construction, maintenance, and operation of that plant. Construction of the plant and transmission lines may be financed by the issuance of time warrants pursuant to Article 3 (commencing with Section 53040) of Chapter 1 of Part 9 to pay the cost of construction of the plant, transmission lines, and related facilities, except that the board may, by resolution, provide for the payment of those time warrants solely from the proceeds derived from the operation of the hydroelectric powerplant, in lieu of the assessment described in Section 53040, and may, in that event, pledge the plant, transmission lines, and related facilities and the revenues from the operation of the hydroelectric plant as the sole security for the payment of the time warrants.

The hydroelectric plant, transmission lines, and related facilities constructed pursuant to this section may be leased for operation to, or the power generated may be sold to, a public utility or public agency engaged in the distribution, use, or sale of electricity, but shall not be offered for sale directly by the district to customers other than a public utility or public agency.

Proceeds from the sale of electricity shall be utilized to retire any time warrants issued for construction of the facilities and otherwise for the powers and purposes for which the district was formed.

SEC. 3. Reclamation District No. 1004 has a potential source of hydroelectric power in conjuction with the County of Colusa which can provide power for use by the district or funds for the purpose of defraying the cost of power and other district expenses. This source of hydroelectric power is not common to other reclamation districts. The Legislature, therefore, finds and declares that a special law is necessary with respect to Reclamation District No. 1004, that the provisions of Section 2 of this act are needed to meet special circumstances within that district, and that a general law cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution.

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

In order to provide for more effective water quality regulation by the California regional water quality control boards at the earliest possible time, and to authorize the construction of urgently needed hydroelectric facilities by Reclamation District No. 1004 in conjunction with the County of Colusa at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 32

An act to amend Sections 11019.5 and 15202 of the Government Code, to amend Section 13516 of the Penal Code, and to amend Section 2 of Chapter 1469 of the Statutes of 1984, relating to crime, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 21, 1986. Filed with Secretary of State March 21, 1986]

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

SECTION 1. Section 11019.5 of the Government Code is amended to read:

11019.5. (a) Notwithstanding any other provision of law, but to the extent consistent with applicable federal law or regulation, any state department specified in subdivision (b), after receiving a request by a board of supervisors of an affected county which has a population of 150,000 or less as of January 1, 1983, and upon determining that advance payment is essential to the effective implementation of a particular program, and further to the extent that funds are available, and not more frequently than once each month, may advance to the county an amount not to exceed one-twelfth of the annual allocations, subventions, or reimbursements required for the delivery of services by a county.

(b) This section applies to the Department of Corrections, the Department of Health Services, and the State Department of Mental Health, and to claims presented to the Controller pursuant to subdivision (b) of Section 15202.

(c) The director of each department specified in subdivision (b) and the Controller shall promulgate regulations or guidelines and a plan to establish control procedures to define the scope of operational information required from a county in order to guarantee advance payments pursuant to this section. No county may receive an advance payment unless the county has complied with the provisions of the department's plan and regulations. Each department plan shall be approved by the Department of Finance prior to its implementation.

(d) Claim schedules for advance payments shall be presented to the appropriate department in the manner prescribed by the department. Payment of claims shall be made within 60 days after a claim is received by the department.

(e) Each department specified in subdivision (b) shall review periodically and adjust advances to actual expenditures for the claim period. Additionally, each department shall take into consideration the timing of the implementation of new programs in the computation of advances. The authority contained in this chapter shall not supersede or limit any other provision of law authorizing the state to conduct required audits of claims transactions.

(f) A county, upon determining that an advance payment is essential for the effective implementation of a particular program, and to the extent funds are available, and not more frequently than once each month, may advance to other affected local public agencies located within its jurisdiction (i.e., school districts, special districts, cities, etc.) an amount not to exceed one-twelfth of the annual allocations, reimbursements, or subventions required for the delivery of services pursuant to related state and federal laws.

SEC. 2. Section 15202 of the Government Code, as amended by Chapter 1469 of the Statutes of 1984, is amended to read:

15202. (a) A county with a population of 300,000 or less, at the time of the 1980 decennial census, which is responsible for the cost of a trial or trials or any hearing of a person for the offense of homicide may apply to the Controller for reimbursement of 90 percent of the costs incurred by the county for each such trial or hearing, without regard to fiscal year, in excess of the amount of money derived by the county from a tax of 0.00625 of 1 percent of the full value of property assessed for purposes of taxation within the county.

(b) (1) A county with a population of 150,000 or less, at the time of the 1980 decennial census, which is responsible for the cost of two or more trials or hearings within a fiscal year of a person or persons for the offense of homicide may apply to the Controller for reimbursement of 90 percent of the costs incurred in a fiscal year by the county for the conduct of the first trial within a fiscal year and

85 percent of the costs incurred in a fiscal year by the county for the conduct of any and all subsequent trials or hearings, in excess of the amount of money derived by the county from a tax of 0.00625 of 1 percent of the full value of property assessed for purposes of taxation within the county.

(2) A county with a population of 150,000 or less, at the time of the 1980 decennial census, which, within a fiscal year, is reimbursed for costs incurred by the county for the conduct of only one trial or hearing pursuant to subdivision (a) shall be reimbursed for that one trial or hearing in subsequent fiscal years for costs incurred in those subsequent fiscal years without again being required to expend county funds equal to 0.00625 of 1 percent of assessed valuation of property within the county so long as all reimbursements to the county under this paragraph are for only that one trial or hearing.

For purposes of this subdivision, in determining the costs of a homicide trial, trials, hearing, or hearings, the costs shall include, all pretrial, trial, and posttrial costs incurred in connection with the investigation, prosecution, and defense of a homicide case or cases within a fiscal year, including, but not limited to, the costs incurred by the district attorney, sheriff, public defender, and witnesses, which were reasonably required by the court and participants in the case or cases, and other extraordinary costs associated with the investigation in homicide cases.

(c) A county with a population exceeding 300,000 at the time of the 1980 decennial census which is responsible for the cost of a trial or trials or any hearing of a person for the offense of homicide may apply to the Controller for reimbursement of 80 percent of the costs incurred by the county in excess of the amount of money derived by the county from a tax of 0.00625 of 1 percent, and not in excess of the amount of money derived from a tax of 0.0125 of 1 percent, and for reimbursement of 100 percent of the costs incurred in excess of the amount of money derived from a tax of 0.0125 percent, of the full value of property assessed for purposes of taxation within the county.

(d) The Controller shall not reimburse any county for costs that exceed the standards for travel and per diem expenses set forth in Sections 700 to 715, and 718, of Title 2 of the California Administrative Code. The Controller may reimburse extraordinary costs in unusual cases if the county provides sufficient justification of the need for such expenditures.

(e) The Legislature recognizes that the conduct of trials for persons accused of homicide should not be hampered or delayed because of a lack of funds available to the counties for that purpose. While this section is intended to provide an equitable basis for determining the allocation to the state of the costs of homicide trials in any particular county, the rising costs of those trials necessitate an objective study to assure reasonable financial restraints and incentives for cost-effectiveness that do not place an unreasonable burden on the treasury of the smaller counties.

In order to assist the Governor and the Legislature in making that

determination, the Office of Planning and Research, in cooperation with the Legislative Analyst, state and local agencies, representatives of law enforcement and the defense bar, and other public officials, shall undertake a study of the effectiveness of this section with regard to those concerns, and, no later than July 1, 1987, shall submit a report to the Governor and to the Legislature with its findings and any recommendations for amendment of this section.

SEC. 3. Section 13516 of the Penal Code is amended to read:

13516. (a) The commission shall prepare guidelines establishing standard procedures which may be followed by police agencies in the investigation of sexual assault cases, and cases involving the sexual exploitation or sexual abuse of children, including, police response to, and treatment of, victims of these crimes.

(b) The course of training leading to the basic certificate issued by the commission shall, on and after July 1, 1977, include adequate instruction in the procedures described in subdivision (a). No reimbursement shall be made to local agencies based on attendance on or after that date at any course which does not comply with the requirements of this subdivision.

(c) The commission shall prepare and implement a course for the training of specialists in the investigation of sexual assault cases, child sexual exploitation cases, and child sexual abuse cases. Officers assigned to investigation duties which include the handling of cases involving the sexual exploitation or sexual abuse of children, shall successfully complete that training within six months of the date the assignment was made.

(d) It is the intent of the Legislature in the enactment of this section to encourage the establishment of sex crime investigation units in police agencies throughout the state, which units shall include, but not be limited to, investigating crimes involving the sexual exploitation and sexual abuse of children.

(e) It is the further intent of the Legislature in the enactment of this section to encourage the establishment of investigation guidelines that take into consideration the sensitive nature of the sexual exploitation and sexual abuse of children with respect to both the accused and the alleged victim.

SEC. 4. Section 2 of Chapter 1469 of the Statutes of 1984 is amended to read:

Sec. 2. Section 1 of this act applies to any case in which a final judgment was not entered prior to January 1, 1985. Section 1 shall remain in effect only until January 1, 1988, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1988, deletes or extends that date. If that date is not deleted or extended, then, on and after January 1, 1988, pursuant to Section 9611 of the Government Code, Section 15202 of the Government Code, as amended by Section 46 of Chapter 323 the Statutes of 1983, shall have the same force and effect as if this temporary provision had not been enacted.

SEC. 5. With respect to the amendments set forth in Sections 2

and 4 of this act, the Legislature finds and declares the following:

(a) That Chapter 1469 of the Statutes of 1984 enacted provisions intended to accomplish each of the following objectives:

(1) Authorized, until January 1, 1989, a new procedure for additional state reimbursement for costs of homicide trials in counties with a population of 300,000 or less.

(2) Directed the Office of Planning and Research to undertake a study, in cooperation with specified public agencies, concerning this provision for reimbursement and to report to the Governor and the Legislature no later than July 1, 1987.

(b) That pending the study outcome there is an immediate need to provide further interim state assistance to small rural counties, with a population of 150,000 or less, that are facing worsening fiscal crises and serious cash flow problems due to extraordinary costs of the investigation and prosecution of a rash of multiple homicides.

(c) That authorization, for an interim period, be provided by this act establishing a revised procedure for small rural counties allowing them to be eligible for additional reimbursement, payable on a regularly scheduled basis, to help relieve the onerous financial burdens suddenly encumbered by excessive costs of homicide cases over which the small counties have virtually no control.

(d) That the short-term fiscal relief provided by subdivision (b) of Section 15202 of the Government Code, as amended by Section 2 of this act, recognizes and is consistent with the fiscal and programmatic relationships and responsibilities between the state and small rural counties as they involve funding and criminal justice program delivery of partnership programs of local and statewide significance.

(e) That the short-term fiscal relief provided by sudivision (b) of Section 15202 of the Government Code, as amended by Section 2 of this act, shall only be made available to the applicable counties for the costs incurred by them as set forth in that section involving activities undertaken following the filing, in the superior court, of an indictment.

SEC. 6. It is the further intent of the Legislature that the amendments to Section 15202 of the Government Code made by Section 2 of this act be given effect with respect to any extraordinary costs incurred in the investigation and prosecution of any homicide case if the costs were incurred on or after July 1, 1985.

SEC. 7. The sum of two hundred fifty thousand dollars ($250,000) is hereby appropriated from the General Fund to the Controller for expenditure in the 1985–86 fiscal year in augmentation of, and for the purpose of paying claims filed pursuant to subdivision (b) of Section 15202 of the Government Code pursuant to the standards provided in provision 2 of Item 8180-101-001 of the Budget Act of 1985. If those funds are not sufficient to satisfy those claims, the Controller shall request the Director of Finance to include any amounts necessary in a deficiency appropriation.

SEC. 8. This act is an urgency statute necessary for the

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

A rash of homicide cases in counties has caused a drain on the cash flow of those counties.

CHAPTER 33

An act to amend Section 13511 of the Penal Code, relating to crimes.

[Approved by Governor March 21, 1986. Filed with Secretary of State March 21, 1986]

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

SECTION 1. Section 13511 of the Penal Code is amended to read:

13511. (a) In establishing standards for training, the commission shall, so far as consistent with the purposes of this chapter, permit required training to be obtained at institutions approved by the commission.

(b) In those instances where persons have acquired prior equivalent peace officer training, the commission shall, no later than July 1, 1981, and thereafter, provide the opportunity for testing in lieu of attendance at a basic training academy or accredited college. Tests shall be constructed to verify possession of minimum knowledge and skills required by the commission as outlined in its basic course. These tests shall be scheduled periodically in convenient locations, and an opportunity shall be provided for testing and retesting under procedural guidelines established by the commission. The retesting procedures shall be designed so that any portion which has been previously passed need not be retaken. The commission shall charge a fee to cover administrative costs which is sufficient to cover all the costs associated with the testing conducted under this subdivision.

CHAPTER 34

An act to add Section 602.2 of the Penal Code, relating to trespass.

[Approved by Governor March 21, 1986 Filed with Secretary of State March 21, 1986]

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

SECTION 1. Section 602.2 is added to the Penal Code, to read:

602.2. Any ordinance or resolution adopted by a county which

requires written permission to enter vacant or unimproved private land from either the owner, the owner's agent, or the person in lawful possession of private land, shall not apply unless the land is immediately adjacent and contiguous to residential property, or enclosed by fence, or under cultivation, or posted with signs forbidding trespass, displayed at intervals of not less than three to a mile, along all exterior boundaries and at all roads and trails entering the private land.

CHAPTER 35

An act to amend Section 66424.1 of the Government Code, relating to subdivisions.

[Approved by Governor March 28, 1986 Filed with Secretary of State March 31, 1986.]

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

SECTION 1. Section 66424.1 of the Government Code is amended to read:

66424.1. Nothing in Section 66424 shall prevent a purchaser of a unit of land created under the provisions of this division or a local ordinance enacted pursuant thereto, from subdividing the land one or more times, pursuant to the provisions of this division prior to the time that an equalized county assessment roll has been completed reflecting the creation of the unit proposed to be subdivided.

Nothing contained in this chapter shall prevent the same subdivider of a unit of land created under the provisions of this division, or a local ordinance enacted pursuant thereto, from making consecutive subdivisions of the same parcel or any portion thereof.

Further, local agencies shall not, by ordinance or policy, prohibit consecutive subdivision of the same parcel or any portion thereof either by the same subdivider or a subsequent purchaser because the parcel was previously subdivided.

Nothing contained in this section shall limit the authority of a local agency to impose appropriate conditions or requirements on the consecutive subdivisions.

CHAPTER 36

An act to add Article 7 (commencing with Section 4696) to Chapter 6 of Division 4.5 of the Welfare and Institutions Code, relating to mental health, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 28, 1986 Filed with Secretary of State March 31, 1986]

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

SECTION 1. Article 7 (commencing with Section 4696) is added to Chapter 6, of Division 4.5 of the Welfare and Institutions Code, to read:

Article 7. Regional Center Clients Requiring Mental Health Services

4696. The Legislature places a high priority on ensuring that regional center clients and their families can avail themselves of mental health services which are appropriate to meet their needs. The purpose of this article is to determine methods of identifying these clients as well as the type and extent of services which should be available.

4696.1. The State Department of Developmental Services, in consultation with the State Department of Mental Health, shall submit a report to the Legislature no later than March 15, 1987, which shall include, but not be limited to, all of the following:

(a) Recommendations on client evaluation and referral procedures for regional center clients needing mental health services.

(b) Recommendations for professional training and curriculum, which should be made available in order to ensure that regional centers and local mental health programs have the necessary, qualified personnel to meet the needs of clients who may require the services as specified in the individual program plan pursuant to Sections 4646 and 4648.

(c) Recommendations for the level and type of professional services necessary for each regional center to provide 24-hour crises intervention services.

(d) Options for effectively delivering the services required in subdivision (c).

(e) Recommendations for amendments to the Lanterman-Petris-Short Act, Part 1 (commencing with Section 5000) of Division 5, in order to ensure that regional center clients receive necessary mental health services.

(f) Costs of providing services recommended in the report.

SEC. 2. This act is an urgency statute necessary for the

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

In order to ensure that regional center clients and their families who find themselves in crises situations and in need of mental health services can receive the appropriate services as soon as feasible, it is necessary that this act take effect immediately.

CHAPTER 37

An act to add Section 72252.7 to the Education Code, relating to community colleges.

[Approved by Governor March 28, 1986 Filed with Secretary of State March 31, 1986]

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

SECTION 1. Section 72252.7 is added to the Education Code, to read:

72252.7. The fee requirements of Section 72252 shall be defrayed pursuant to Section 19 of Chapter 1 of the 1983–84 Second Extraordinary Session for any student who, at the time of enrollment, is a child or dependent of a veteran, as specified in subdivision (a), (b), or (c) of Section 32320.

CHAPTER 38

An act to add Section 25503.6 to the Business and Professions Code, relating to alcoholic beverages, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 28, 1986 Filed with Secretary of State March 31, 1986]

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

SECTION 1. Section 25503.6 is added to the Business and Professions Code, to read:

25503.6. (a) Notwithstanding any other provision of this chapter, the holder of a beer manufacturer's or winegrower's license may purchase advertising space and time from, or on behalf of, an on-sale retail licensee subject to all of the following conditions:

(1) The on-sale licensee is the owner of a fully enclosed arena with a fixed seating capacity in excess of 10,000 seats located within a county of the eighth class, as defined in Section 28029 of the Government Code.

(2) The advertising space or time is purchased only in connection with events to be held on the premises of the arena owned by the on-sale licensee.

(3) The on-sale licensee serves other brands of beer or wine in addition to the brand manufactured by the beer manufacturer or produced by the winegrower purchasing the advertising space or time.

(b) Any purchase of advertising space or time pursuant to subdivision (a) shall be conducted pursuant to a written contract entered into by the holder of the beer manufacturer's or winegrower's license and the on-sale licensee.

(c) Any holder of a beer manufacturer's license or winegrower's license who, through coercion or other illegal means, induces a holder of a beer or wine wholesaler's license to fulfill those contractual obligations entered into pursuant to subdivision (a) or (b) shall be guilty of a misdemeanor and shall be punished by imprisonment in the county jail not exceeding six months, or by a fine in an amount equal to the entire value of the advertising space or time involved in the contract, plus ten thousand dollars ($10,000), or by both imprisonment and fine. The person shall also be subject to license revocation pursuant to Section 24200.

SEC. 2. The Legislature finds that it is necessary that the exception established by this act to the general prohibition against manufacturers compensating retailers in any way in connection with the advertising of alcoholic beverages be limited to the express terms of the exception so as not to undermine the general prohibition, and intends that this act be construed accordingly.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

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

In order that advertising space may be purchased in connection with events which are scheduled for the winter and spring of 1986, it is necessary that this act go into immediate effect.

CHAPTER 39

An act to amend Section 15432 of the Government Code, relating to health, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 28, 1986 Filed with Secretary of State March 31, 1986]

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

SECTION 1. Section 15432 of the Government Code is amended to read:

15432. As used in this part, the following words and terms shall have the following meanings, unless the context clearly indicates or requires another or different meaning or intent:

(a) "Act" means the California Health Facilities Financing Authority Act.

(b) "Authority" means the California Health Facilities Financing Authority created by this part or any board, body, commission, department, or officer succeeding to the principal functions thereof or to which the powers conferred upon the authority by this part shall be given by law.

(c) "Cost," as applied to a project or portion of a project financed under this part, means and includes all or any part of the cost of construction and acquisition of all lands, structures, real or personal property, rights, rights-of-way, franchises, easements, and interests acquired or used for a project, the cost of demolishing or removing any buildings or structures on land so acquired, including the cost of acquiring any lands to which those buildings or structures may be moved, the cost of all machinery and equipment, financing charges, interest prior to, during, and for a period not to exceed one year following completion of construction, as determined by the authority, reserves for principal and interest and for extensions, enlargements, additions, replacements, renovations and improvements, the cost of engineering, reasonable financial and legal services, plans, specifications, studies, surveys, estimates, administrative expenses, and other expenses necessary or incident to determining the feasibility of constructing any project or incident to the construction or acquisition or financing of any project.

(d) "Health facility" means any facility, place, or building which is organized, maintained, and operated for the diagnosis, care, prevention, and treatment of human illness, physical or mental, including convalescence and rehabilitation and including care during and after pregnancy, or for any one or more of these purposes, for one or more persons, to which the persons are admitted for a 24-hour stay or longer, except in the cases of county outpatient facilities, community clinics, as defined in paragraph (6), and child day care facilities, as defined in paragraph (10), and includes all of

the following types:

(1) A general acute care hospital which is a health facility having a duly constituted governing body with overall administrative and professional responsibility and an organized medical staff which provides 24-hour inpatient care, including the following basic services: medical, nursing, surgical, anesthesia, laboratory, radiology, pharmacy, and dietary services.

(2) An acute psychiatric hospital which is a health facility having a duly constituted governing body with overall administrative and professional responsibility and an organized medical staff which provides 24-hour inpatient care for mentally disordered, incompetent, or other patients referred to in Division 5 (commencing with Section 5000) or Division 6 (commencing with Section 6000) of the Welfare and Institutions Code, including the following basic services: medical, nursing, rehabilitative, pharmacy, and dietary services.

(3) A skilled nursing facility which is a health facility which provides the following basic services: skilled nursing care and supportive care to patients whose primary need is for availability or skilled nursing care on an extended basis.

(4) An intermediate care facility which is a health facility which provides the following basic services: inpatient care to ambulatory or semiambulatory patients who have recurring need for skilled nursing supervision and need supportive care, but who do not require availability or continuous skilled nursing care.

(5) A special health care facility which is a health facility having a duly constituted governing body with overall administrative and professional responsibility and an organized medical or dental staff which provides inpatient or outpatient, acute or nonacute care, including, but not limited to, medical, nursing, rehabilitation, dental, or maternity.

(6) A community clinic which is a clinic operated by a tax-exempt nonprofit corporation which is supported and maintained in whole or in part by donations, bequests, gifts, grants, government funds or contributions, which may be in the form of money, goods, or services. In a community clinic, any charges to the patient shall be based on the patient's ability to pay, utilizing a sliding fee scale. No corporation other than a nonprofit corporation, exempt from federal income taxation under paragraph (3) of subsection (c) of Section 501 of the Internal Revenue Code of 1954 as amended, or a statutory successor thereof, shall operate a community clinic. However, the licensee of any community clinic so licensed on September 26, 1978, shall not be required to obtain tax-exempt status under either federal or state law. No natural person or persons shall operate a community clinic.

(7) An adult day health center which is a facility, as defined under subdivision (b) of Section 1570.7 of the Health and Safety Code, which provides adult day health care, as defined under subdivision (a) of Section 1570.7 of the Health and Safety Code.

(8) Any other type of facility for the provision of inpatient or outpatient care which is a county health facility, as defined in subdivision (a) of Section 16715 of the Welfare and Institutions Code, (without regard to whether funding is provided for the facility under that section).

(9) A multilevel facility is an institutional arrangement where a residential facility for the elderly is operated as a part of, or in conjunction with, an intermediate care facility, a skilled nursing facility, or a general acute care hospital. "Elderly," for the purposes of this paragraph, means a person 62 years of age or older.

(10) A child day care facility operated in conjunction with a health facility. A child day care facility is a facility, as defined in Section 1596.750 of the Health and Safety Code. For purposes of this paragraph, "child" means a minor from birth to 18 years of age.

"Health facility" includes a clinic which is described in subdivision (*l*) of Section 1206 of the Health and Safety Code.

"Health facility" includes the following facilities, if operated in conjunction with one or more of the above types of facilities: a laboratory, laundry, nurses or interns residence, housing for staff or employees and their families, patients or relatives of patients, physicians' facility, administration building, research facility, maintenance, storage, or utility facility and all structures or facilities related to any of the foregoing or required or useful for the operation of a health facility, and the necessary and usual attendant and related facilities and equipment and including parking and supportive service facilities or structures required or useful for the orderly conduct of such health facility.

"Health facility" does not include any institution, place, or building used or to be used primarily for sectarian instruction or study or as a place for devotional activities or religious worship.

(e) "Participating health institution" means a city, city and county, county, a district hospital, or a private nonprofit corporation or association authorized by the laws of this state to provide or operate a health facility and which, pursuant to the provisions of this part, undertakes the financing or refinancing of the construction or acquisition of a project or of working capital as provided in this part.

(f) "Project" means construction, expansion, remodeling, renovation, furnishing, or equipping of a health facility or acquisition of a health facility to be financed or refinanced with funds provided in whole or in part pursuant to this part. "Project" may include any combination of one or more of the foregoing undertaken jointly by any participating health institution with one or more other participating health institutions.

(g) "Working capital" means moneys to be used by, or on behalf of, a city, city and county, county, or hospital district to pay or prepay maintenance or operation expenses or any other costs that would be treated as an expense item, under generally accepted accounting principles, in connection with the ownership or operation of a health facility by a city, county, city and county, or hospital district,

including, but not limited to, reserves for maintenance or operation expenses, interest for not to exceed one year on any loan for working capital made pursuant to this part, and reserves for debt service with respect to, and any costs necessary or incidental to, that financing.

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

Due to the substantial need for additional child day care facilities, which has been documented, it is necessary for this act to take effect immediately to make financing for these facilities available at the earliest possible time.

CHAPTER 40

An act to add Section 11503 to the Penal Code, relating to crimes, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 28, 1986. Filed with Secretary of State March 31, 1986]

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

SECTION 1. Section 11503 is added to the Penal Code, to read:

11503. There is hereby created in the State Treasury the Local Public Prosecutors and Public Defenders Training Fund for the support of the Prosecutors and Public Defenders Education and Training Program, established pursuant to this title.

SEC. 2. Any moneys which, on the effective date of this act, are in the General Fund accounts established by the Controller to receive the balance of funds that remained in the prior Local Public Prosecutors and Public Defenders Training Fund when it expired on January 1, 1986, and to receive any transfers from the Assessment Fund of moneys otherwise owing to the prior Local Public Prosecutors and Public Defenders Training Fund pursuant to paragraph (6) of subdivision (f) of Section 1464 of the Penal Code after that fund expired on January 1, 1986, are hereby transferred to the new Local Public Prosecutors and Public Defenders Training Fund established pursuant to this act.

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

In order to provide the funding needed for the Prosecutors and Public Defenders Education and Training Program during the remaining portion of the 1985–86 fiscal year, it is necessary that this act take effect immediately.

CHAPTER 41

An act to amend Section 14036 of the Government Code, to amend Section 7102 of the Revenue and Taxation Code, and to amend Sections 2126 and 2127 of the Streets and Highways Code, relating to transportation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 28, 1986. Filed with Secretary of State March 31, 1986.]

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

SECTION 1. Section 14036 of the Government Code is amended to read:

14036. The department shall prepare a rail passenger development plan annually for submission to the Legislature, the Governor, the Public Utilities Commission, and the California Transportation Commission. The plan shall be submitted to the commission by each January 1 for its advice and consent and to the Legislature, the Governor, and the Public Utilities Commission by the following March 1. The plan shall consist of all of the following:

(a) For capital and operating subsidies, all actual encumbrances for the prior year; and for state operations, all actual expenditures for the prior year. All revenues shall be identified by source. Variances in expenditures from the prior year's plan for capital and operating subsidies shall be identified for each route.

(b) For capital and operating subsidies, estimated encumbrances and revenues for the current year; and for state operations, estimated expenditures for the current year. The department shall use the same format as is required for prior year expenditures pursuant to subdivision (a).

(c) For the budget year and the four following fiscal years, proposed encumbrances for capital and operating subsidies shall be reported in the same format as is required for prior year's expenditures. For state operations, proposed expenditures for the budget year shall be reported.

(d) The identification and cost of capital facilities necessary to enhance competitiveness of rail passenger services.

(e) A performance evaluation of all services in operation, including performance trends, potential for efficiency and effectiveness, possible improvements, and strategies to achieve that potential.

(f) A recommendation of a level of and program for services over a five-year period.

(g) An evaluation of reports by regional planning agencies and county transportation commissions on commuter service alternatives in their regions, including presentation of their recommendations.

(h) A map showing all existing intercity and commuter passenger rail routes and services, all proposed intercity and commuter passenger rail routes and services, and all intercity and commuter passenger rail routes and services that are the subject of feasibility studies.

This report shall be prepared in consultation with the Public Utilities Commission and the National Rail Passenger Corporation. The department may consult with other agencies, organizations, and persons with expertise. The department shall employ realistic assumptions, using Public Utilities Commission cost data whenever possible, with respect to the level of services it can provide and the cost of these services when developing the plan.

SEC. 2. Section 7102 of the Revenue and Taxation Code is amended to read:

7102. The money in the fund shall, upon order of the Controller, be drawn therefrom for refunds under this part or be transferred in the following manner:

(a) (1) All revenues, less refunds, derived under this part at the 4¾ percent rate, including the imposition of sales and use taxes with respect to the sale, storage, use, or other consumption of motor vehicle fuel which would not have been received if the sales and use tax rate had been 5 percent and if motor vehicle fuel, as defined for purposes of the Motor Vehicle Fuel License Tax Law (Part 2 (commencing with Section 7301)), had been exempt from sales and use taxes, shall be estimated by the State Board of Equalization, with the concurrence of the Department of Finance shall be transferred during each fiscal year to the Transportation Planning and Development Account in the State Transportation Fund for appropriation pursuant to Section 99312 of the Public Utilities Code.

(2) If the amount transferred pursuant to paragraph (1) is less than one hundred ten million dollars ($110,000,000) in any fiscal year, an additional amount equal to the difference between one hundred ten million dollars ($110,000,000) and the amount so transferred shall be transferred, to the extent funds are available, as follows:

(A) For the 1986–87 fiscal year, from the General Fund.

(B) For the 1987–88 and each subsequent fiscal year, from the state revenues due to the imposition of sales and use taxes on fuel, as defined for purposes of the Use Fuel Tax Law (Part 3 (commencing with Section 8601)).

(b) The balance shall be transferred to the General Fund.

(c) The estimate required by subdivision (a) shall be based on taxable transactions occurring during a calendar year, and the transfers required by subdivision (a) shall be made during the fiscal year that commences during that same calendar year. Transfers required by paragraphs (1) and (2) of subdivision (a) shall be made quarterly.

SEC. 3. Section 2126 of the Streets and Highways Code is amended to read:

2126. (a) The money appropriated pursuant to Item

9675-101-890 of the Budget Act of 1985 (Chapter 111 of the Statutes of 1985) is hereby appropriated to the Controller for allocation to counties and cities for street and highway maintenance and reconstruction, 55 percent to the cities for allocation pursuant to subdivision (b) and 45 percent to the counties for allocation pursuant to subdivision (c).

(b) (1) The amount to be allocated to a city, including a city and county, equals the amount available for allocation to the cities pursuant to subdivision (a) times the ratio of the total allocation it received pursuant to Section 2107 over all allocations made pursuant to that section during the prior fiscal year.

(2) In the case of a city whose incorporation was effective after July 2, 1984, and which did not receive an allocation of funds appropriated for allocation pursuant to subdivision (a) of Section 7 of Chapter 1600 of the Statutes of 1985, the amount calculated for allocation pursuant to subdivision (b) of that Section 7 shall be increased by an amount which will provide the city an amount equivalent to the total allocation it would have received pursuant to subdivisions (a) and (b) of that Section 7.

(c) Fifty-five percent of the funds payable under this section to counties, including a city and county, shall be apportioned among the counties in the proportion that the number of fee-paid and exempt vehicles registered in each county bears to the total number of fee-paid and exempt vehicles which are registered in the state.

Forty-five percent of the funds payable under this section to counties, including a city and county, shall be apportioned among the counties in the proportion that the number of miles of maintained county roads in each county bears to the total number of miles of maintained county roads in the state.

(d) For purposes of this section:

(1) "Maintenance" means (A) patching and (B) overlay and sealing.

(2) "Reconstruction" does not include widening to increase the traffic capacity of a street or highway, but does include any widening of the roadway if the widening is necessary to bring the roadway width to the desirable minimum width consistent with the geometric design criteria of the department for nonfreeway 3R (reconstruction, resurfacing, and rehabilitation) projects.

(e) The Controller shall allocate the funds available for that Item 9675-101-890 within 30 days after they become available to the state.

SEC. 4. Section 2127 of the Streets and Highways Code is amended to read:

2127. (a) In order to receive any allocation pursuant to Section 2126 or Section 7 of the act enacting this section, the city or county, as the case may be, shall expend for the maintenance and reconstruction, as defined in subdivision (d) of Section 2126, of its local street and highway system during each of the fiscal years that it receives an allocation pursuant to Section 2126 or that Section 7 not less than its base year expenditure, excluding the allocation received

pursuant to Section 2126 or that Section 7, or both, during the fiscal year. This expenditure matching requirement shall terminate on July 1, 1987.

(b) The allocation shall be expended within one year of its disbursement by the Controller to the city or county, as the case may be.

(c) (1) For purposes of this section, "base year expenditure" means the amount that the city or county, as the case may be, expended for patching, overlay and sealing, and reconstruction of its local street and highway system during the 1984–85 fiscal year, as reported to the Controller pursuant to Section 2151.

(2) If the sum of the actual cash received by a city or county during the fiscal year pursuant to Section 500 of Title 16, Section 104 (b) (2) and (6) and Section 125 of Title 23, and Chapter 68 (commencing with Section 5121) of the Title 42 of the United States Code expended for the maintenance and reconstruction of its local street and highway system during the 1984–85 fiscal year, as reported to the Controller pursuant to Section 2151, is more than the sum of funds it received from those sources during any fiscal year, the base year expenditure of the city or county, as the case may be, for the fiscal year shall be reduced by the difference between the sums.

(d) For each fiscal year during which an allocation was made pursuant to Section 2126 or that Section 7, or both, the Controller shall audit the amount each county and city expended for the maintenance and reconstruction, as defined in subdivision (d) of Section 2126, of its local street and highway system during the fiscal year.

(e) (1) If the Controller determines pursuant to subdivision (d) that a county or city, for the fiscal year, expended for the maintenance and reconstruction of its local street and highway system less than the required amount determined pursuant to subdivision (a), its allocation pursuant to Section 2104 or 2107, as the case may be, shall be reduced during the next fiscal year by the amount that its expenditure is less than the required amount.

(2) Paragraph (1) does not apply to a city or county during the fiscal year in which it returns to the Controller the allocation it received pursuant to Section 2126 or that Section 7, or both. The city or county shall return the allocation plus any accrued interest within 30 days following the effective date of the statute which added this paragraph, or, in the case of future allocations, within 30 days after receipt of the allocation.

(f) Any funds withheld or returned as a result of subdivision (e) of this section shall be reallocated to the other counties and cities whose expenditure is not less than its required amount pursuant to subdivision (b) or (c) of Section 2126, as the case may be.

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

In order that the flexibility in transportation financing afforded by this act may be implemented at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 42

An act to amend Section 2501 of, and to add Section 2507 to, the Streets and Highways Code, relating to transportation, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 1, 1986. Filed with Secretary of State April 1, 1986.]

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

SECTION 1. Section 2501 of the Streets and Highways Code is amended to read:

2501. Federal law has authorized appropriations for expenditure for public mass transportation on highways in rural areas in order to enhance access of rural area populations to employment, health care, retail centers, education, and public services. The purpose of this chapter is to implement that program in this state. The boards of supervisors, city councils, and the department are authorized to do all things necessary and proper in their respective jurisdictions to secure the federal funds for use on rural highway public mass transportation projects in accordance with the intent of federal law and of this chapter.

SEC. 2. Section 2507 is added to the Streets and Highways Code, to read:

2507. Notwithstanding any other provision of law, the department may authorize the Controller to make payments to claimants for work performed on a rural public mass transportation project prior to the execution of a formal grant agreement subject to all of the following conditions:

(a) The work is expressly included in a program of projects approved by the department and submitted to the United States Department of Transportation for funding.

(b) A grant agreement for the work is subsequently executed between the department and the claimant.

(c) Funds are specifically appropriated and available for the work.

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

In order that transit operators providing essential service to the elderly, handicapped, and other persons residing in remote rural

areas would not be forced to discontinue operations, it is necessary that this act take effect immediately.

CHAPTER 43

An act to add Chapter 13.5 (commencing with Section 26250) to Part 2 of Division 2 of Title 3 of the Government Code, relating to justice facility financing, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 1, 1986. Filed with Secretary of State April 2, 1986.]

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

SECTION 1. Chapter 13.5 (commencing with Section 26250) is added to Part 2 of Division 2 of Title 3 of the Government Code, to read:

CHAPTER 13.5. SAN DIEGO COUNTY REGIONAL JUSTICE FACILITY FINANCING ACT

Article 1. General Provisions, Findings, and Definitions

26250. This chapter shall be known and may be cited as the San Diego County Regional Justice Facility Financing Act.

26251. The Legislature hereby finds and declares all of the following:

(a) Recognizing the scarcity of resources available for regional justice facility development, alternative methods of financing provided in this chapter are needed to finance the cost of maintaining, acquiring, constructing, and developing facilities for the administration of justice in the County of San Diego, and these methods will increase economic opportunities, contribute to economic development, be in the public interest and serve a public purpose and promote the health, safety, and welfare of the citizens within the County of San Diego.

(b) It is in the public interest to allow the voters of San Diego County to create a financing mechanism which will permit regional justice facility plans to be implemented in a timely manner to provide improvements to the regional justice system.

Article 2. Transactions and Use Tax

26255. The Legislature, by the enactment of this article, intends the additional funds provided the County of San Diego by this article to supplement existing local revenues being used to finance the regional justice system. The government agencies are further

encouraged to maintain their existing commitment of local funds for regional justice system services.

26256. A retail transactions and use tax ordinance applicable in the incorporated and unincorporated territory of the county shall be imposed by the Board of Supervisors of the County of San Diego (hereafter referred to as the "board") in accordance with Section 26260 and Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code, if two-thirds of the electors voting on the measure vote to approve its imposition at a special election called for that purpose by the board. The tax ordinance shall take effect at the close of the polls on the day of election at which the proposition is adopted. The initial collection of the transactions and use tax shall take place in accordance with Section 26259.

If, at any time, the voters do not approve the imposition of the transactions and use tax, this chapter shall remain in full force and effect. The board may, at any time thereafter, submit the same, or a different, measure to the voters in accordance with this chapter.

26257. The board, in the ordinance, shall state the nature of the tax to be imposed, the tax rate or the maximum tax rate, the purposes for which the revenue derived from the tax shall be used, and a term during which the tax shall be imposed. The purposes for which the tax revenues shall be used may include, but are not limited to, the administration of this chapter, including legal actions related thereto, and site acquisition, capital acquisition, construction, reconstruction, expansion, improvement, maintenance, and financing of regional justice facilities. These purposes include expenditures for planning, environmental reviews, engineering and design costs, and related right-of-way acquisition. The proceeds of the tax shall not be used for the operation of any regional justice facility or program.

26258. For purposes of this section, "regional justice facilities" includes, but is not limited to, jails, women's centers, detention facilities, juvenile halls, and courtrooms.

26259. (a) Any transactions and use tax ordinance adopted pursuant to this article shall be operative on the first day of the first calendar quarter commencing more than 120 days after adoption of the ordinance.

(b) Prior to the operative date of the ordinance, the county shall contract with the State Board of Equalization to perform all functions incident to the administration and operation of the ordinance.

26260. (a) The board, subject to the approval of the voters, may impose a maximum tax rate of ½ percent under this chapter and Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code for up to five years, and the board may state the maximum tax rate in terms of not to exceed ½ percent. The board shall not levy the tax at a rate other than one-half of 1 percent, unless specifically authorized by the Legislature.

(b) The tax rate adopted pursuant to this article, unless otherwise

prohibited, may be increased by the board by ordinance adopted in the manner and by the vote stated in Section 26256 and approved by two-thirds of the electors voting on the measure at an election called for that purpose by the board.

26261. The board may reduce a tax rate to percentages lower than that approved by the voters and may further provide for an increase of the tax rate if it has previously been lowered. However, the tax rate may not be increased to a rate above the tax rate approved by the voters.

Any revised tax rate may be adopted only if the board determines that the proceeds of the taxes with the altered tax rate will be sufficient to provide for the payment of principal of, and interest on, any limited tax bonds and any other indebtedness incurred by the county which was to be payable from the proceeds of the retail transactions and use tax.

26262. Notwithstanding any other provision of law relating to the calling and conduct of elections by a county, the board may place on the ballot at a special election to be held November 4, 1986, or any other date subsequent thereto upon the call of the board, a ballot proposition for the imposition of a retail transactions and use tax as authorized by this chapter and an increase in the appropriation limit pursuant to Article XIII B of the California Constitution.

The actual wording of the ballot proposition, regardless of the system of voting used, shall read substantially as follows:

SAN DIEGO COUNTY REGIONAL JUSTICE FACILITIES FINANCING ORDINANCE AND AN INCREASE IN THE APPROPRIATION LIMIT OF THE COUNTY OF SAN DIEGO Shall approval be given to (1) an ordinance of the County of San Diego imposing a one-half of one percent transaction and use tax for a term not to exceed five years to be used solely for the purposes of improving, expanding, constructing, or acquiring sites for regional justice facilities to the extent state or federal funds are not made available to the County of San Diego specifically for those purposes, and (2) an increase in the appropriation limit of the County of San Diego in the amount equal to the amount of such tax to be collected?	YES NO	

26263. Any action or proceeding wherein the validity of the adoption of the retail transactions and use tax ordinance provided for in this article or any of the proceedings in relation thereto is contested, questioned, or denied, shall be commenced within six

months from the date of the election at which the ordinance is approved. Otherwise, all proceedings in relation thereto, including the adoption and approval of the ordinance, shall be held to be valid and in every respect legal and incontestable.

SEC. 2. It is the intent of the Legislature in enacting this act to ensure that the County of San Diego is not deprived of state funds which might be made available to finance needed justice system facilities subsequent to the enactment of this chapter, whether those funds be provided by statute or constitutional amendment. To that end, any ballot measure seeking voter approval for a local transactions and use tax to finance justice system facilities pursuant to this chapter shall contain language which will result in a reduction in the amount of revenue generated annually by that tax equivalent to the amount of state funding made available annually to the County of San Diego pursuant to a subsequently enacted state program to fund county justice system facility costs.

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

In order that a ballot measure be permitted to be placed before the voters in November 1986, or any other date upon the call of the San Diego County Board of Supervisors, which will allow the voters to create a financing mechanism for improvements to the regional justice system in a timely manner, it is necessary that this act take effect immediately.

CHAPTER 44

An act to amend Sections 894 and 895 of the Military and Veterans Code, relating to veterans' benefits.

[Approved by Governor April 1, 1986. Filed with Secretary of State April 2, 1986]

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

SECTION 1. Section 894 of the Military and Veterans Code is amended to read:

894. For students of collegiate, community college, business and trade school rank, the amount expended by the department as an allowance for living expenses shall not exceed one hundred dollars ($100) per month. Dependents enrolled in the fifth year of any course requiring five years may be considered to be at the undergraduate level. For students of high school rank, the amount shall not exceed fifty dollars ($50) per month during the time the student is in actual attendance at a day school. Absence during the month on account of illness shall be included as attendance.

SEC. 2. Section 895 of the Military and Veterans Code is amended to read:

895. For tuition and fees:

(a) The amount expended on account of any one applicant of undergraduate, collegiate, community college, business, or trade school rank under this article shall not exceed the maximum rate authorized for the regular school year under Section 69566 of the Education Code and not to exceed one-third more for students pursuing a summer session or full year course.

(b) For students of high school rank, the sum shall not exceed four hundred fifty dollars ($450) a year for students pursuing a regular course and five hundred fifty dollars ($550) a year for students pursuing a summer session or full year course.

CHAPTER 45

An act to add Article 13 (commencing with Section 45460) to Chapter 5 of Part 25 of, and to add Article 10 (commencing with Section 88270) to Chapter 4 of Part 51 of,the Education Code, relating to classified school employees, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 1, 1986 Filed with Secretary of State April 2, 1986]

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

SECTION 1. Article 13 (commencing with Section 45460) is added to Chapter 5 of Part 25 of the Education Code, to read:

Article 13. Classified School Employee Week

45460. The third full week in May is designated as Classified School Employee Week.

All public schools shall annually observe that week in recognition of classified school employees and the contributions they make to the educational community. The observances required by this section shall be integrated into the regular school program.

This section shall apply to all schools under the jurisdiction of any school district or county board of education that has adopted the merit system in the same manner and effect as if it were a part of Article 6 (commencing with Section 45240), as well as to schools under the jurisdiction of any school district or county board of education that has not adopted the merit system.

SEC. 2. Article 10 (commencing with Section 88270) is added to Chapter 4 of Part 51 of the Education Code, to read:

Article 10. Classified School Employee Week

88270. The third full week in May is designated as Classified School Employee Week.

All community colleges shall annually observe that week in recognition of classified school employees and the contributions they make to the educational community. The observances required by this section shall be integrated into the regular community college program.

This section shall apply to all colleges under the jurisdiction of any community college district that has adopted the merit system in the same manner and effect as if it were a part of Article 3 (commencing with Section 88060), as well as to colleges under the jurisdiction of any district that has not adopted the merit system.

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

In order to have the third full week in May of 1986 designated as Classified School Employee Week, it is necessary that this act take effect immediately.

CHAPTER 46

An act to amend Section 72252 of the Education Code, relating to community colleges.

[Approved by Governor April 9, 1986 Filed with Secretary of State April 9, 1986.]

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

SECTION 1. Section 72252 of the Education Code is amended to read:

72252. (a) Commencing with the semester, term, or quarter that begins after July 31, 1984, the governing board of each community college district shall charge each student a fee, pursuant to this section.

(b) The fee prescribed by this section shall equal fifty dollars ($50) per semester for students enrolled in classes totaling six or more credit semester units, and five dollars ($5) per unit per semester for students enrolled in classes totaling less than six credit semester units.

The chancellor shall proportionately adjust the amount of the fee for term lengths based upon a quarter system or other alternative system approved pursuant to Section 78002, and shall also proportionately adjust the amount of the fee for summer sessions, intersessions, and other short-term courses. In making these

adjustments, the chancellor may round the per unit fee and the per term or per session fee to the nearest dollar.

(c) For the purposes of computing apportionments to community college districts, 98 percent of the revenues received by districts from charging a fee pursuant to this section or from fees defrayed pursuant to subdivision (f) shall be deemed to be local property tax revenue within the meaning of subdivision (b) of Section 84700.

(d) The chancellor shall reduce apportionments by up to 10 percent to any district that does not collect the fees prescribed by this section.

(e) The fee requirement shall not apply to students enrolled in the noncredit courses designated by Section 84711, or to California State University or University of California students enrolled in remedial classes provided by a community college district on a campus of the University of California or a campus of the California State University, for whom the district claims an attendance apportionment pursuant to an agreement between the district and the California State University or the University of California.

(f) The governing board of a community college district may exempt special part-time students admitted pursuant to Section 76001 from the fee requirement.

(g) The fee requirements of this section shall be defrayed pursuant to Section 19 of Chapter 1 of the 1983–84 Second Extraordinary Session for any student who, at the time of enrollment, is a recipient of benefits under the Aid to Families with Dependent Children program, the Supplemental Security Income/State Supplementary Program, or a general assistance program.

(h) Student financial aid funds appropriated for the purpose of assisting students to pay the fee required by this section may be awarded without regard to the requirements of Chapter 2 (commencing with Section 69500) of Part 42.

(i) The board of governors shall adopt regulations implementing this section as regulations in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

(j) This section shall remain in effect only until January 1, 1988, and as of that date is repealed, unless a later enacted statute, which is chaptered before January 1, 1988, deletes or extends that date.

CHAPTER 47

An act to amend Sections 1202.7 and 1202.8 of the Penal Code, relating to crime.

[Approved by Governor April 9, 1986. Filed with Secretary of State April 10, 1986]

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

SECTION 1. Section 1202.7 of the Penal Code is amended to read:

1202.7. The Legislature finds and declares that the provision of probation services is an essential element in the administration of criminal justice. The safety of the public, which shall be a primary goal through the enforcement of court-ordered conditions of probation; the nature of the offense; the interests of justice, including punishment, reintegration of the offender into the community, and enforcement of conditions of probation; the loss to the victim; and the needs of the defendant shall be the primary considerations in the granting of probation.

SEC. 2. Section 1202.8 of the Penal Code is amended to read:

1202.8. Persons placed on probation by a court shall be under the supervision of the county probation officer who shall determine both the level and type of supervision consistent with the court-ordered conditions of probation.

CHAPTER 48

An act to amend Section 31641.04 of the Government Code, relating to the County Employees Retirement Law of 1937.

[Approved by Governor April 9, 1986. Filed with Secretary of State April 10, 1986.]

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

SECTION 1. Section 31641.04 of the Government Code is amended to read:

31641.04. (a) When the board of supervisors, by resolution, determines that because of an impending curtailment of service or change in the manner of performing service, savings of money, or other economic benefit resulting to the county, the best interests of the county would be served, a member shall be eligible to receive additional service credit if the following conditions exist:

(1) The member is employed in a job classification, county department, or other county organizational unit included in the resolution adopted by the board of supervisors.

(2) The member retires on or between dates specified by the board of supervisors in its resolution. In no event shall the specified period exceed 180 days.

(3) The county transmits to the retirement fund an amount determined by the board of retirement which is equal to the actuarial equivalent of the difference between the allowance the member receives after the receipt of service credit under this section and the amount he would have received without such service credit. The transfer to the retirement fund shall be made in a manner and time period acceptable to the county and the board of retirement.

(b) The amount of service credit shall be that amount as the board of supervisors determines but shall not be more than two years regardless of credited service and shall not exceed the number of years intervening between the date of the member's retirement and the date the member would be required to be retired because of age.

(c) A county which elects to make the payment prescribed by subdivision (a) shall make such payment with respect to all eligible employees who retire during the period specified by the board of supervisors.

(d) This section shall not be applicable to any member otherwise eligible if such member receives any unemployment insurance payments during the period six months prior to the period specified pursuant to subdivision (a). This section shall not be applicable to any member if the member is not eligible to retire without the additional credit available under this section.

(e) This section shall not be applicable in any county until it is adopted by ordinance of the board of supervisors. Any county may adopt or readopt this section from time to time as conditions may warrant. This section shall not be applicable in any district whose employees are members of the system pursuant to Section 31557 until it is adopted by ordinance by the governing body of the district. Any district whose employees are members of the system pursuant to Section 31557 may adopt or readopt this section from time to time as conditions warrant.

(f) Any member who qualifies under this section upon subsequent reentry to county employment shall forfeit the service credit acquired under this section, unless the reentry is a result of a temporary callback limited to a maximum of 720 hours of service in any one year.

(g) This section shall not be subject to the provisions of Chapter 10 (commencing with Section 3500) of Division 4 of Title 1.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because this act is in accordance with the request of a local agency or school district which desired legislative authority to carry out the program specified in this act.

CHAPTER 49

An act to amend Section 4 of Chapter 342 of the Statutes of 1983, relating to civil actions, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 9, 1986. Filed with Secretary of State April 10, 1986]

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

SECTION 1. Section 4 of Chapter 342 of the Statutes of 1983 is amended to read:

Sec. 4. This act applies to proceedings commenced on or after January 1, 1984, regardless of the date of acquisition of property subject to the proceedings or the date of any agreement affecting the property.

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

Sections 4800.1 and 4800.2 of the Civil Code were enacted by Chapter 342 of the Statutes of 1983 and applied immediately to all family law proceedings not yet final on January 1, 1984, its effective date, in order to cure a serious problem in the law governing division of assets at dissolution of marriage (See Report of Senate Committee on Judiciary on Assembly Bill 26, 83 Senate Journal 4865, July 14, 1983). The Supreme Court in In re Marriage of Buol, 39 Cal. 3d 751, 705 P.2d 354, 218 Cal. Rptr. 31 (1985), held that this legislation cannot be applied to pending litigation in some circumstances, but the precise scope of the decision is unclear.

The Buol decision has caused confusion among family law judges and lawyers as to what law governs in a heavily litigated area in which important property rights are affected. The decision also frustrates the intent of the Legislature to correct a serious problem in the law that is causing inequitable treatment of many parties.

This act is intended to resolve the confusion caused by Buol and to reaffirm the need for immediately applicable legislation, to the extent constitutionally permissible, in order to assure all litigants of equitable treatment upon dissolution of marriage. Any further delay will accentuate unreasonably the current confusion and problems in this area of the law.

CHAPTER 50

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

[Approved by Governor April 11, 1986. Filed with Secretary of State April 14, 1986]

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

SECTION 1. There is hereby appropriated the sum of forty-six million four hundred ninety-one thousand two hundred thirty-two dollars and eighty cents ($46,491,232.80) from the Senior Center Bond Act Fund to the Controller, for allocation as provided in this section, at the request of the Director of the Department on Aging:

(a) The sum of four hundred thirty thousand eight hundred two dollars ($430,802) shall be allocated to Planning and Service Area 2, as follows:

Applicant	Amount
Golden Age Center, Inc./Golden Age Senior Center/Weaverville	$171,284
Indian Elders Council, Inc./Susanville Senior Center	259,518

(b) The sum of ninety-three thousand eight hundred eighty-seven dollars ($93,887) shall be allocated to Planning and Service Area 3, as follows:

Applicant	Amount
Seneca District Hospital/Lake Almanor Senior Center/Chester	$93,887

(c) The sum of two million two hundred ninety-one thousand three hundred fifty-two dollars ($2,291,352) shall be allocated to Planning and Service Area 4, as follows:

Applicant	Amount
California Indian Council on Aging, Inc./Sacramento County Indian Senior Center	$140,000
Cordova Recreation and Park District/Cordova Senior Center/Rancho Cordova	300,000
Davis, City of/Davis Senior Center	55,437
Inc. Senior Citizens of Sierra County/Loyalton Senior Center	16,025
Linda-Olivehurst Civil Association, Inc./Olivehurst Senior Center	42,732
North San Juan Activities and Improvement Center/ North San Juan Activities and Improvement Center	42,600
Placer, County of/Placer County Senior Center/Au-	

burn	154,058
Roseville, City of/Maldu Park Senior Center	98,607
Sacramento, City of/Sacramento Senior Center	450,000
Senior Citizens Foundation of West Nevada County, Inc./Senior Center/Grass Valley	99,321
Stanford Settlement, Inc./Stanford Senior Center/ Sacramento	48,736
Sutter, County of/Sutter County Senior Center/ Yuba City	109,874
United Christian Center of Greater Sacramento, Inc./Broderick Christian Center Senior Programs	60,222
Walnut Grove Community Center and Park, Inc./ Jean Harvie Senior Center	250,000
Winters Community Center/Winters Community Center	39,778
Women's Civic Improvement Club of Sacramento, Inc./Netta Sparks Senior Center	290,000
Woodland, City of/Woodland Senior Center	46,000
Yuba Feather Community Services, Inc./Ponderosa Senior Center/Brownsville	47,962

(d) The sum of four hundred fifty-seven thousand fifty-seven dollars ($457,057) shall be allocated to Planning and Services Area 5, as follows:

Applicant	Amount
Dance Palace, the/Dance Palace Community Center/Point Reyes	$ 40,000
Marin City Community Services District/Marin City Senior Center	160,057
Marin Senior Coordinating Council, Inc./Whistlestop Senior Center/San Rafael	80,000
Novato, City of/Novato Senior Center	100,000
United Jewish Community Centers/Marin Jewish Community Senior Center/San Rafael	37,000
Woodacre Improvement Club/Woodacre Senior Center	40,000

(e) The sum of two million six hundred eighteen thousand sixty-two dollars ($2,618,062) shall be allocated to Planning and Service Area 6, as follows:

Applicant	Amount
Bayview Hunter's Point MPSC/Bayview Hunter's Point Senior Center	$121,910
Canon Kip Community House/Canon Kip Senior Center	84,620
Centro Latino de San Francisco, Inc./Los Mayores de Centro Latino	250,000

Filipino-American Council of San Francisco, Inc./ Senior Opportunities and Service Center	250,000
Golden Gate Senior Services/Diamond Senior Center	22,000
Kimochi, Inc./Japanese American Senior Services Kimochi Inc./Japanese American Senior Services	250,000
Mission Neighborhood Centers, Inc./Capp Street Senior Center	100,485
Multi Service Center for Koreans/MSCK Senior Project	23,078
Russian-American Community Services/Russian American Community Service Center	250,000
San Francisco Council of Churches/Noriega Senior Center	250,000
San Francisco Home Health Service/30th Street Senior Center	60,000
Salvation Army/Salvation Army Senior Center	56,245
San Francisco, County/City of/North of Market Senior Center	10,000
Self-Help for the Elderly/Self-Help for the Elderly	250,000
Third Baptist Church, Inc./Third Baptist Church Senior Center	25,000
United Jewish Community Centers/Montefiore Senior Center	146,000
Visitacion Valley Senior Transportation Escort Services/Sunnydale Senior Center	75,000
Western Addition Senior Citizens Service Center, Inc./Western Addition Senior Center	250,000
YMCA of San Francisco/Central YMCA Seniors' Program	143,724

(f) The sum of one million three hundred ninety-two thousand six hundred twenty dollars ($1,392,620) shall be allocated to Planning and Service Area 7, as follows:

Applicant	Amount
Antioch, City of/Antioch Senior Center	$381,288
Cambridge Community Center, Inc./Cambridge Community Center Senior Program/Concord	24,342
Hercules, City of/Hercules Senior Center	223,478
Martinez, City of/Martinez Senior Center	500,000
Pittsburg, City of/Marina Community Center Seniors	60,000
Pleasant Hill Recreation and Park District/Pleasant Hill Senior Center	72,834
San Pablo, City of/San Pablo Senior Center	130,678

(g) The sum of one million two hundred forty-one thousand one hundred thirty-eight dollars ($1,241,138) shall be allocated to Plan-

ning and Service Area 8, as follows:

Applicant	Amount
Belmont, City of/Belmont Senior Center	$ 50,000
Daly City, City of/Doelger Senior Center	35,000
East Palo Alto Senior Center/East Palo Alto Senior Center	375,569
Pacifica, City of/Seniors in Action	155,000
Peninsula Volunteers/Little House/Menlo Park	55,000
Redwood City, City of/Veterans Memorial Senior Center	50,000
San Bruno, City of/San Bruno Senior Center	35,000
San Mateo, City of/Martin Luther King Jr. Center	100,000
South San Francisco, City of/Magnolia Senior Center	195,569
Target Education and Welfare Council, Inc./Fair Oaks Senior Center	190,000

(h) The sum of two million one hundred twenty-five thousand eighty dollars ($2,125,080) shall be allocated to Planning and Service Area 9, as follows:

Applicant	Amount
Alameda, City of/Mastick Senior Center	$121,400
Albany, City of/Albany Senior Center	30,896
Berkeley, City of/West Berkeley Senior Center	96,858
Berkeley, City of/South Berkeley Senior Center	40,560
Berkeley, City of/North Berkeley Senior Center	29,155
Dublin, City of/Dublin Senior Center	73,650
East Bay Japanese for Action/EBJA Senior Center/ Berkeley	4,335
East Oakland Senior Citizens Center, Inc./East Oakland Senior Center	180,000
Emeryville, City of/Emeryville Senior Center	22,210
Fremont, City of/Fremont Senior Center	333,637
Hayward Area Recreation/Castro Valley Senior Center	407,803
Intertribal Friendship House/Young At Hearts/Oakland	20,000
Oakland Chinese Community Council/Multi-purpose and Multi-ethnic Senior Center	450,000
Oakland, City of/Oakland Senior Center	180,000
Pleasanton, City of/Pleasanton Senior Center	43,758
Progressive Senior Citizens/Progressive Senior Center/Oakland	34,710
St. Mary's Community Center/St. Mary's Community Center/Oakland	24,913
YMCA New Light Senior Citizens, Inc./YMCA New Light Senior Center/Berkeley	31,195

(i) The sum of one million eight hundred twenty-four thousand

nine hundred dollars ($1,824,900) shall be allocated to Planning and Service Area 10, as follows:

Applicant	Amount
Campbell, City of/Campbell Senior Center	$200,000
Catholic Social Services of Santa Clara/John XXIII Senior Center/San Jose	200,000
Filipino/American Senior Opportunity Development Council, Inc./Northside Community Center/San Jose	3,500
Gilroy, City of/Gilroy Senior Center	225,000
Japanese American Community Senior Service of San Jose/Yu Aikai/Yu Ai Kai	250,000
Korean/American Community Services, Inc./Korean American Community Services/San Jose	8,950
Mexican/American Community Services Agency, Inc./MASCA Senior Center/San Jose	200,000
Milpitas, City of/Milpitas Senior Center	75,078
Morgan Hill, City of/Morgan Hill Senior Center	8,721
Portuguese Organization for Social Services and Opportunities/Portuguese Community Center/ San Jose	197,130
San Jose, City of/Alma Community Center	242,061
Santa Clara, City of/Santa Clara Senior Center	77,000
Saratoga, City of/Saratoga Senior Center	100,000
Sunnyvale, City of/Sunnyvale Senior Center	33,150
West Valley Japanese/American Citizens League/ West Valley JACL Senior Center/San Jose	4,310

(j) The sum of one hundred ninety-eight thousand four hundred six dollars ($198,406) shall be allocated to Planning and Service Area 12, as follows:

Applicant	Amount
Amador County Senior Citizens, Inc./Amador County Senior Center	$ 12,800
California Human Development Corporation/Calaveras Senior Center/San Andreas	118,399
Mariposa Golden Agers, Inc./Mariposa Senior Center	67,207

(k) The sum of one hundred twenty-three thousand six hundred twenty-four dollars and eighty cents ($123,624.80) shall be allocated to Planning and Service Area 13, as follows:

Applicant	Amount
Scotts Valley, City of/Scotts Valley Senior Center	$99,659.00
Watsonville, City of/Watsonville Senior Center	23,965.80

(*l*) The sum of one million three hundred one thousand three hundred thirteen dollars ($1,301,313) shall be allocated to Planning

and Service Area 14, as follows:

Applicant	Amount
Chowchilla, City of/Chowchilla Senior Center	$155,445
Clovis, City of/Clovis Senior Center	283,555
Del Rey Community Services District/Del Rey Senior Center	77,760
Firebaugh, City of/Firebaugh Senior Center	65,500
Fowler, City of/Fowler Senior Center	20,000
Huron, City of/Huron Senior Center	64,442
Japanese American Citizens League/Nikkel Senior Center/Fresno	13,050
Kerman, City of/Kerman Senior Center	30,000
Kingsburg, City of/Kingsburg Senior Center	32,292
Madera, City of/Madera Downtown Senior Center	166,778
Madera, County of/Oakhurst Senior Center	193,410
Mendota, City of/Mendota Senior Center	85,000
Older American Organization/Fresno Learning Center	4,519
Older American Organization/Older Americans Senior Center/Fresno	19,937
Sanger, City of/Sanger Senior Center	89,625

(m) The sum of six hundred eighteen thousand six hundred thirty-nine dollars ($618,639) shall be allocated to Planning and Service Area 15, as follows:

Applicant	Amount
Armona Community Services District/Armona Senior Center	$171,283
Dinuba Senior Citizens, Inc./Dinuba Senior Center	250,000
Hot Springs Capineros/Hot Springs Capineros/California Hot Springs	107,543
Tulare, City of/Tulare Senior Center	89,813

(n) The sum of eighty thousand four hundred sixty-seven dollars ($80,467) shall be allocated to Planning and Service Area 16, as follows:

Applicant	Amount
Inyo, County of/Lone Pine Statham Hall	$ 3,200
Inyo, County of/Bishop Senior Recreation Center	37,213
Mono, County of/Antelope Valley Senior Center/Walker	7,802
Mono, County of/Chalfant Valley Community Center	32,252

(o) The sum of one million twenty-five thousand seven hundred ninety-five dollars ($1,025,795) shall be allocated to Planning and Service Area 17, as follows:

Applicant	Amount

Cayucos Senior Citizens Club, Inc./Cayucos Senior Center	$ 25,000
Grover City Senior Center/Five Cities Senior Center	106,500
Guadalupe Area Senior Citizens Club, Inc./Guadalupe Area Senior Center	264,828
Morro Bay, City of/Morro Bay Senior Center	228,060
Nipomo Area Senior Citizens, Inc./Nipomo Area Senior Center	70,000
Orcutt Area Seniors In Service/Orcutt Area Senior Center	103,384
San Luis Obispo, City of/San Luis Obispo Senior Center	50,000
Santa Barbara, City of/Westside Senior Center	178,023

(p) The sum of eight hundred ninety-two thousand six hundred sixty-four dollars ($892,664) shall be allocated to Planning and Service Area 18, as follows:

Applicant	Amount
Fillmore, City of/Fillmore Senior Center	$275,000
HELP of Ojai, Inc./Little House Senior Center	95,000
Moorpark, City of/Moorpark Senior Center	150,000
Oxnard, City of/Wilson Senior Center	49,300
Pleasant Valley Recreation and Park District/Camarillo Senior Center	20,820
Port Hueneme, City of/Port Hueneme Senior Center	82,000
Santa Paula, City of/Santa Paula Senior Center	169,616
Simi Valley, City of/Simi Valley Senior Center	14,435
Ventura, County of/El Rio Senior Center	36,493

(q) The sum of nine million two hundred ninety-seven thousand seven hundred ninety-seven dollars ($9,297,797) shall be allocated to Planning and Service Area 19, as follows:

Applicant	Amount
Agoura Hills, City of/Agoura Hills Senior Center	$ 99,600
Alhambra, City of/Joslyn Center	85,000
Azusa, City of/Azusa Senior Center	375,000
Baldwin Park, City of/Baldwin Park Senior Center	5,860
Burbank, City of/Joslyn Senior Adult Center	305,000
Compton, City of/Dollarhide Senior Center	425,060
Covina, City of/Covina Joslyn Adult Center	330,000
El Monte, City of/El Monte Senior Center	258,094
El Segundo, City of/Joslyn Recreation Center	147,832
Gardena, City of/Nakaoka Community Center	220,000
Glendale, City of/Sparr Heights Building	325,000
Hawthorne, City of/Hawthorne Senior Center	83,555
Human Services Association/Southeast Area Senior	

Center/Bell Gardens	264,960
Inglewood, City of/Inglewood Senior Center	350,000
La Clinica Familiar Del Barrio/East Los Angeles Senior Center	443,389
La Verne, City of/La Verne Senior Center	250,570
Lakewood, City of/Weingart Senior Center	180,000
Lawndale, City of/Prairie Avenue Community Center	35,737
Los Angeles, County of/Arcadia Senior Center	200,000
Los Angeles, County of/Lennox Park Senior Center	15,000
Los Angeles, County of/Salazar Park Senior Center	181,350
Los Angeles, County of/Antelope Valley Senior Center/Lancaster	201,130
Los Angeles, County of/Santa Clarita Valley Senior Center/Newhall	231,235
Los Angeles, County of/Willowbrook Senior Center	257,000
Los Angeles, County of/Altadena Senior Center	270,265
Los Angeles, County of/Los Nietos Senior Center/Whittier	276,250
Los Angeles, County of/Bassett Park Senior Center/La Puente	175,000
Norwalk, City of/Norwalk Senior Center	193,715
Palmdale, City of/Courson Senior Center	75,000
Paramount, City of/Paramount Park Senior Center	320,000
Pico Rivera, City of/Pico Rivera Senior Center	500,000
San Fernando, City of/San Fernando Senior Center	281,495
San Gabriel, City of/San Gabriel Adult Recreation Center	300,000
Santa Anita Family Service/Santa Anita Senior Center/Monrovia	150,000
Santa Monica, City of/Santa Monica Senior Center	700,000
South Gate, City of/South Gate Senior Center	35,700
Torrance, City of/Bartlett Adult Center	750,000

(r) The sum of one million six hundred seventy-four thousand four hundred fifty-eight dollars ($1,674,458) shall be allocated to Planning and Service Area 20, as follows:

Applicant	Amount
Chino, City of/Chino Senior Center	$215,248
County Service Area 63/Yucaipa Senior Center	76,955
Havasu Lake Senior Citizens Coalition/Havasu Lake Senior Center	81,900
Highland District Council on Aging, Inc./Highland/Del Rosa Senior Center	85,198
Mojave Valley Senior Citizen Club, Inc./Mojave Valley Senior Center	12,108
Morongo Basin Adult Health Service Corporation/Morongo Basin Senior Center	95,399

Needles Senior Citizens Club/Needles Senior Center	16,238
Newberry Springs Senior Service Association, Inc./ Newberry Springs Senior Center	62,800
Red Mountain Council, Inc./Red Mountain Council Inc. Senior Center	41,000
Redlands, City of/Redlands Senior Center	289,910
Rialto, City of/Rialto Community Senior Center	2,040
San Bernardino, City of/Perris Hill Park Senior Center	350,000
Steelworkers Oldtimers Foundation/Fontana Senior Center	149,857
Tri-Community Helping Hands/Phelan Senior Center	108,806
Tri-Community Helping Hands/Pinon Hills Senior Center	15,669
Victorville, City of/Victorville Activities Center	60,180
Wrightwood Area Cultural Organization, Inc./The Old Fire House Senior Center	1,200
Yucca Valley Parks and Recreation District/Yucca Valley Senior Center	9,950

(s) The sum of one million seven hundred sixty-six thousand two hundred fifty dollars ($1,766,250) shall be allocated to Planning and Service Area 21, as follows:

Applicant	Amount
Banning, City of/Banning Senior Center	$ 93,606
Beaumont, City of/Beaumont Senior Center	35,000
Blythe, City of/Blythe Senior Center	140,000
Colorado River Senior Citizens, Inc./Colorado River Senior Center	121,360
Corona, City of/Corona Senior Center	54,834
County Service Area 117/Mead Valley Community Center	7,000
Desert Hot Springs, City of/Desert Hot Springs Senior Center	179,000
Hemet, City of/Hemet Neighborhood Multipurpose Center	155,353
Jurupa Area Recreation and Park District/Glen Avon Senior Center	90,000
Lake Elsinore, City of/Lake Elsinore Community Center	115,000
Moreno Valley, City of/Moreno Valley Senior Center	25,000
Norco, City of/Norco Senior Center	50,000
Perris, City of/Perris Senior Center	165,267
Riverside, City of/Dales Senior Center	95,746
Riverside/San Bernardino County Indian Health, Inc./Morongo Senior Center	178,084
Senior Center of Temecula Rancho Area, Inc./Senior	

Center of Temecula Rancho Area	106,000
Thermal Chamber of Commerce/Southern Coachella Valley Senior Center	155,000

(t) The sum of three million two hundred ninety-nine thousand five hundred thirteen dollars ($3,299,513) shall be allocated to Planning and Service Area 22, as follows:

Applicant	Amount
Brea, City of/Brea Senior Center	$265,682
Fullerton, City of/Maple Community Senior Center	150,000
Midway City Community Organization Inc./Midway Meadows	37,657
Nueva Esperanza Inc./Abrazar Senior Center/Westminster	406,550
Orange Elderly Services Inc./Orange Senior Center	450,000
Orange, County of/Oso Viejo Senior Center	450,000
Santa Ana, City of/Southwest Senior Center	450,000
Tustin, City of/Tustin Area Senior Center	450,000
Vietnamese Community of Orange County, Inc./ Asian Senior Acculturation Center	450,000
Westminster, City of/Westminster Senior Center	189,624

(u) The sum of three million eight hundred seventy-two thousand two hundred sixty-nine dollars ($3,872,269) shall be allocated to Planning and Service Area 23, as follows:

Applicant	Amount
Chula Vista, City of/Norman Park Senior Center	$ 74,283
Clairemont Friendship Center, Inc./Clairemont Friendship Center/San Diego	313,654
Escondido, City of/Escondido Joslyn Senior Center	20,000
Fallbrook Senior Citizens Service Club, Inc./Joslyn Senior Center of Fallbrook	50,000
Highlands Senior Citizen Group/Highlands Senior Center	157,333
Imperial Beach, City of/Imperial Beach Senior Center	94,243
Lakeside Community Services Association, Inc./ Lakeside Senior Center	319,801
Lemon Grove, City of/Lemon Grove Senior Center	262,469
Metropolitan Area Advisory Committee/Otay Senior Center/Chula Vista	149,000
National City, City of/Kimball Senior Center	317,526
Neighborhood House Association/Neighborhood House Senior Center/San Diego	322,263
Oceanside, City of/Oceanside Senior Center	250,793
Filipino American Senior Center of San Diego/ Samahan Senior Center	158,000
Progressive Social Services Systems Technology/	

Clairemont Senior Center	313,650
San Marcos, City of/San Marcos Joslyn Senior Center	80,000
Santa Ysabel Band of Mission Indians/Santa Ysabel Senior Center	120,000
Senior Community Centers of San Diego/Marguerite E. Schwarzman Senior Center	480,060
Valley Center Golden Years, Inc./Joslyn Senior Center/Valley Center	77,602
Vista, City of/Brengle Terrance Park Senior Center	311,592

(v) The sum of one hundred seventy-two thousand ninety-seven dollars ($172,097) shall be allocated to Planning and Service Area 24, as follows:

Applicant	Amount
Brawley, City of/Brawley Senior Center	$ 50,000
Calexico Neighborhood House, Inc./Calexico Senior Center	62,524
Elderberries Senior Citizens/Elderberries Senior Center/Winterhaven	6,109
Imperial, City of/James Bucher Community Center	50,000
Westmorland, City of/Westmorland Senior Center	3,464

(w) The sum of five million eight hundred sixty thousand three hundred dollars ($5,860,300) shall be allocated to Planning and Service Area 25, as follows:

Applicant	Amount
Delta Sigma Theta Life Development, Inc./Delta Sigma Theta Life Development Senior Center/Los Angeles	$ 81,290
Episcopal Community Services of Los Angeles/St. Barnabas Senior Center	1,720,954
International Institute of Los Angeles/International Institute Senior Center	173,810
Jewish Family Services of Los Angeles/Freda Mohr Senior Center	331,750
Jewish Family Services of Los Angeles/Valley Storefront Senior Center/North Hollywood	242,250
Los Angeles, City of/Sun Valley Senior Center	347,826
Los Angeles, City of/Montecito Heights Senior Center	595,000
Los Angeles, City of/Watts Senior Center	595,000
Seinan Senior Citizens Club, Inc./Seinan Senior Center/Los Angeles	338,100
Watts Labor Community Action Committee/ Theresa Lindsay Senior Center/Los Angeles	1,434,320

(x) The sum of three hundred sixty-two thousand five hundred seventy-six dollars ($362,576) shall be allocated to Planning and Service Area 26, as follows:

Applicant	Amount
Anderson Valley Senior Citizens Center, Inc./Anderson Valley Senior Center/Boonville	$ 9,402
Greater Ukiah Senior Citizens Center, Inc./Greater Ukiah Senior Center	39,727
Greater Ukiah Willits Senior Citizens Center, Inc./Greater Willits Senior Center	33,257
Indian Senior Center, Inc./Indian Senior Center/Ukiah	26,239
Lakeport Senior Center, Inc./Lakeport Senior Center	130,742
Laytonville Senior Citizens, Inc./Laytonville Senior Center	6,500
Live Oak Seniors, Inc./Clearlake Oaks Senior Center	31,051
Lucerne Alpine Seniors, Inc./Lucerne Senior Center	12,200
Middletown Senior Citizens, Inc./Middletown Senior Center	7,295
Redwood Coast Seniors, Inc./Bea Erickson Senior Center/Fort Bragg	47,804
Round Valley Indian Health Center, Inc./Round Valley Senior Center/Covelo	9,281
South Coast Seniors, Inc./South Coast Senior Center/Point Arena	9,078

(y) The sum of seven hundred twenty-eight thousand six hundred eleven dollars ($728,611) shall be allocated to Planning and Service Area 27, as follows:

Applicant	Amount
Council on Aging of Sonoma County/Council on Aging Senior Center/Santa Rosa	$147,750
Filipino Community of Sonoma County, Inc./Filipino American Community Center/Fulton	11,460
Healdsburg, City of/Healdsburg Senior Center	95,768
Petaluma People Services Center/Petaluma Senior Center	111,776
River Community Services, Inc./Russian River Senior Center/Guerneville	127,899
Rohnert Park, City of/Rohnert Park Senior Center	21,859
Santa Rosa Multipurpose Senior Center/Santa Rosa Senior Center	55,000
Vintage House Senior MPC of Sonoma Valley/Vintage House Senior Center of Sonoma Valley	127,099
Windsor Union School District/Windsor Senior Center	30,000

(z) The sum of six hundred forty-three dollars ($643) shall be allocated to Planning and Service Area 28, as follows:

Applicant	Amount
Berryessa Senior Citizens, Inc./Berryessa Senior Center/ Napa	$643

(aa) The sum of two hundred thirty-six thousand one hundred sixty-six dollars ($236,166) shall be allocated to Planning and Service Area 29, as follows:

Applicant	Amount
El Dorado County/Placerville Senior Center	$141,699
South Lake Tahoe, City of/South Lake Tahoe Senior Center	94,467

(bb) The sum of six hundred twenty-two thousand seven hundred thirty-nine dollars ($622,739) shall be allocated to Planning and Service Area 30, as follows:

Applicant	Amount
Brethren Community Services/West Modesto Senior Center	$ 93,169
Denair Community Services District/Denair Community Senior Center	4,960
Empire Community Hall Association/Empire Senior Center	71,307
Hughson, City of/Hughson Senior Center	232,200
Knights Ferry Historic and Museum Association/ Knights Ferry Senior Center	18,368
Modesto, City of/Modesto Senior Center	157,428
Patterson, City of/City Hall Senior Center	29,750
Salvation Army/Salvation Army Senior Center/Modesto	15,557

(cc) The sum of two hundred fifty-nine thousand seventy dollars ($259,070) shall be allocated to Planning and Service Area 31, as follows:

Applicant	Amount
Atwater, City of/Atwater Senior Center	$ 36,917
Gustine, City of/Gustine Senior Center	47,513
Los Banos, City of/Miller and Lux Senior Center	26,451
Merced County/Merced Senior Center	121,737
New Hope Foundation/New Hope Senior Center/ Dos Palos	26,452

(dd) The sum of eight hundred nineteen thousand forty-five dollars ($819,045) shall be allocated to Planning Service Area 32, as follows:

Applicant	Amount
Gonzales, City of/Gonzales Senior Center	$ 96,000

Meals on Wheels of the Monterey Peninsula/Monterey Peninsula Senior Center/Pacific Grove	160,045
RHP Services/PAL Senior Center/Watsonville	150,000
RHP Services/King City Senior Center	225,000
Salinas Union High School District/Creative Living Center	188,000

(ee) The sum of eight hundred three thousand eight hundred ninety-two dollars ($803,892) shall be allocated to Planning and Service Area 33, as follows:

Applicant	Amount
Bakersfield Senior Center, Inc./Bakersfield Senior Center	$ 35,430
Bear Mountain Recreation and Park District/Lamont/Weedpatch Senior Center	105,785
Boron Senior Citizens, Inc./Boron Senior Center	12,000
Delano, City of/Delano Senior Center	77,500
Kern, County of/Inyo-Kern Senior Center	240,252
Mojave Senior Citizens, Inc./Mojave Senior Center	4,356
North Bakersfield Recreation and Park District/Greenacres Senior Center	180,800
Ridgecrest, City of/Ridgecrest Senior Center	141,865
Shafter Recreation and Park District/Shafter Senior Center	5,904

SEC. 2. If an agency that was awarded funds withdraws or is unable to complete the project authorized, the Department of Aging, with the advice of the area agency on aging, is authorized to contract with another public or private agency to complete the original project, if feasible.

SEC. 3. If Senior Center Bond Act funds become available as a result of nonperformance of a grantee or completion of a project with funds remaining, the Department of Aging is authorized to award funds to the applicant in the next priority order as determined by the area agency on aging in the planning and service area to which Senior Center Bond Act funds were originally allocated.

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

In order to ensure that funds are allocated for approved senior center proposals, pursuant to the Senior Center Bond Act of 1984, at the earliest possible time, it is necessary that this act go into immediate effect.

CHAPTER 51

An act to amend Sections 311, 312.1, and 313 of the Penal Code, relating to obscene and harmful matter.

[Approved by Governor April 14, 1986 Filed with Secretary of State April 15, 1986]

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

SECTION 1. This act shall be known and may be cited as the La Follette-Deddeh Anti-Obscenity Law.

SEC. 2. Section 311 of the Penal Code is amended to read:

311. As used in this chapter:

(a) "Obscene matter" means matter taken as a whole, the predominant appeal of which to the average person, applying contemporary statewide standards, is to prurient interest, meaning a shameful or morbid interest in nudity, sex, or excretion; and is matter which taken as a whole goes substantially beyond customary limits of candor in description or representation of such matters; and is matter which taken as a whole lacks significant literary, artistic, political, educational, or scientific value.

(1) The predominant appeal to prurient interest of the matter is judged with reference to average adults unless it appears from the nature of the matter or the circumstances of its dissemination, distribution or exhibition, that it is designed for clearly defined deviant sexual groups, in which case the predominant appeal of the matter shall be judged with reference to its intended recipient group.

(2) In prosecutions under this chapter, where circumstances of production, presentation, sale, dissemination, distribution, or publicity indicate that matter is being commercially exploited by the defendant for the sake of its prurient appeal, that evidence is probative with respect to the nature of the matter and can justify the conclusion that the matter lacks significant literary, artistic, political, educational, or scientific value.

(3) In determining whether the matter taken as a whole goes substantially beyond customary limits of candor in description or representation of such matters, the fact that the defendant knew that the matter depicts persons under the age of 16 years engaged in sexual conduct, as defined in subdivision (c) of Section 311.4, is a factor which can be considered in making that determination.

(b) "Matter" means any book, magazine, newspaper or other printed or written material or any picture, drawing, photograph, motion picture, or other pictorial representation or any statue or other figure, or any recording, transcription or mechanical, chemical or electrical reproduction or any other articles, equipment, machines or materials.

(c) "Person" means any individual, partnership, firm, association,

corporation, or other legal entity.

(d) "Distribute" means to transfer possession of, whether with or without consideration.

(e) "Knowingly" means being aware of the character of the matter or live conduct.

(f) "Exhibit" means to show.

(g) "Obscene live conduct" means any physical human body activity, whether performed or engaged in alone or with other persons, including but not limited to singing, speaking, dancing, acting, simulating, or pantomiming, where, taken as a whole, the predominant appeal of such conduct to the average person, applying contemporary statewide standards is to prurient interest, meaning a shameful or morbid interest in nudity, sex, or excretion; and is conduct which taken as a whole goes substantially beyond customary limits of candor in description or representation of such matters; and is conduct which taken as a whole lacks significant literary, artistic, political, educational, or scientific value.

(1) The predominant appeal to prurient interest of the conduct is judged with reference to average adults unless it appears from the nature of the conduct or the circumstances of its production, presentation or exhibition, that it is designed for clearly defined deviant sexual groups, in which case the predominant appeal of the conduct shall be judged with reference to its intended recipient group.

(2) In prosecutions under this chapter, where circumstances of production, presentation advertising, or exhibition indicate that live conduct is being commercially exploited by the defendant for the sake of its prurient appeal, that evidence is probative with respect to the nature of the conduct and can justify the conclusion that the conduct lacks significant literary, artistic, political, educational, or scientific value.

(3) In determining whether the live conduct taken as a whole goes substantially beyond customary limits of candor in description or representation of such matter, the fact that the defendant knew that the live conduct depicts persons under the age of 16 years engaged in sexual conduct, as defined in subdivision (c) of Section 311.4, is a factor which can be considered in making that determination.

SEC. 3. Section 312.1 of the Penal Code is amended to read:

312.1. In any prosecution for a violation of the provisions of this chapter or of Chapter 7.6 (commencing with Section 313), neither the prosecution nor the defense shall be required to introduce expert witness testimony concerning the obscene or harmful character of the matter or live conduct which is the subject of any the prosecution. Any evidence which tends to establish contemporary community standards of appeal to prurient interest or of customary limits of candor in the description or representation of nudity, sex or excretion, or which bears upon the question of significant literary, artistic, political, educational, or scientific value shall, subject to the

provisions of the Evidence Code, be admissible when offered by either the prosecution or by the defense.

SEC. 4. Section 313 of the Penal Code is amended to read:

313. As used in this chapter:

(a) "Harmful matter" means matter taken as a whole, the predominant appeal of which to the average person, applying contemporary statewide standards, is to prurient interest, meaning a shameful or morbid interest in nudity, sex, or excretion, and is patently offensive to the prevailing standards in the adult community as a whole with respect to what is suitable material for minors, and lacks significant literary, artistic, political, educational, or scientific value for minors.

(1) When it appears from the nature of the matter or the circumstances of its dissemination, distribution or exhibition that it is designed for clearly defined deviant sexual groups, the predominant appeal of the matter shall be judged with reference to its intended recipient group.

(2) In prosecutions under this chapter, where circumstances of production, presentation, sale, dissemination, distribution, or publicity indicate that matter is being commercially exploited by the defendant for the sake of its prurient appeal, that evidence is probative with respect to the nature of the matter and can justify the conclusion that the matter lacks significant literary, artistic, political, educational, or scientific value for minors.

(b) "Matter" means any book, magazine, newspaper, or other printed or written material or any picture, drawing, photograph, motion picture, or other pictorial representation or any statue or other figure, or any recording, transcription, or mechanical, chemical, or electrical reproduction or any other articles, equipment, machines, or materials.

(c) "Person" means any individual, partnership, firm, association, corporation, or other legal entity.

(d) "Distribute" means to transfer possession of, whether with or without consideration.

(e) "Knowingly" means being aware of the character of the matter.

(f) "Exhibit" means to show.

(g) "Minor" means any natural person under 18 years of age.

SEC. 5. No appropriation is made and no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution or Section 2231 or 2234 of the Revenue and Taxation Code because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

CHAPTER 52

An act to amend Section 1538.5 of the Penal Code, relating to criminal procedure.

[Approved by Governor April 14, 1986 Filed with Secretary of State April 15, 1986.]

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

SECTION 1. Section 1538.5 of the Penal Code, is amended to read:

1538.5. (a) A defendant may move for the return of property or to suppress as evidence any tangible or intangible thing obtained as a result of a search or seizure on either of the following grounds:

(1) The search or seizure without a warrant was unreasonable.

(2) The search or seizure with a warrant was unreasonable because (i) the warrant is insufficient on its face; (ii) the property or evidence obtained is not that described in the warrant; (iii) there was not probable cause for the issuance of the warrant; (iv) the method of execution of the warrant violated federal or state constitutional standards; (v) there was any other violation of federal or state constitutional standards.

(b) When consistent with the procedures set forth in this section and subject to the provisions of Section 170 through 170.6 of the Code of Civil Procedure, the motion should first be heard by the magistrate who issued the search warrant if there is a warrant.

(c) Whenever a search or seizure motion is made in the municipal, justice or superior court as provided in this section, the judge or magistrate shall receive evidence on any issue of fact necessary to determine the motion.

(d) If a search or seizure motion is granted pursuant to the proceedings authorized by this section, the property or evidence shall not be admissible against the movant at any trial or other hearing unless further proceedings authorized by this section, Section 871.5, Section 1238, or Section 1466 are utilized by the people.

(e) If a search or seizure motion is granted at a trial, the property shall be returned upon order of the court unless it is otherwise subject to lawful detention. If the motion is granted at a special hearing, the property shall be returned upon order of the court only if, after the conclusion of any further proceedings authorized by this section or Section 1238 or Section 1466, the property is not subject to lawful detention or if the time for initiating such proceedings has expired, whichever occurs last. If the motion is granted at a preliminary hearing, the property shall be returned upon order of court after 10 days unless the property is otherwise subject to lawful detention or unless, within that time, further proceedings authorized by this section, Section 871.5, or Section 1238 are utilized; if they are utilized, the property shall be returned only if, after the conclusion

of such proceedings, the property is no longer subject to lawful detention.

(f) If the property or evidence relates to a felony offense initiated by a complaint, the motion shall be made in the superior court only upon filing of an information, except that the defendant may make the motion at the preliminary hearing in the municipal or justice court but the motion in the municipal or justice court shall be restricted to evidence sought to be introduced by the people at the preliminary hearing.

(g) If the property or evidence relates to a misdemeanor complaint, the motion shall be made in the municipal or justice court before trial and heard prior to trial at a special hearing relating to the validity of the search or seizure. If the property or evidence relates to a misdemeanor filed together with a felony, the procedure provided for a felony in this section and Sections 1238 and 1539 shall be applicable.

(h) If, prior to the trial of a felony or misdemeanor, opportunity for this motion did not exist or the defendant was not aware of the grounds for the motion, the defendant shall have the right to make this motion during the course of trial in the municipal, justice or superior court.

(i) If the property or evidence obtained relates to a felony offense initiated by complaint and the defendant was held to answer at the preliminary hearing, or if the property or evidence relates to a felony offense initiated by indictment, the defendant shall have the right to renew or make the motion in the superior court at a special hearing relating to the validity of the search or seizure which shall be heard prior to trial and at least 10 days after notice to the people unless the people are willing to waive a portion of this time. If the offense was initiated by indictment or if the offense was initiated by complaint and no motion was made at the preliminary hearing, the defendant shall have the right to fully litigate the validity of a search or seizure on the basis of the evidence presented at a special hearing. If the motion was made at the preliminary hearing, unless otherwise agreed to by all parties, evidence presented at the special hearing shall be limited to the transcript of the preliminary hearing and to evidence which could not reasonably have been presented at the preliminary hearing, except that the people may recall witnesses who testified at the preliminary hearing. If the people object to the presentation of evidence at the special hearing on the grounds that the evidence could reasonably have been presented at the preliminary hearing, the defendant shall be entitled to an in camera hearing to determine that issue. The superior court shall base its ruling on all evidence presented at the special hearing and on the transcript of the preliminary hearing, and the findings of the magistrate shall be binding on the superior court as to evidence or property not affected by evidence presented at the special hearing. After the special hearing is held in the superior court, any review thereafter desired by the defendant prior to trial shall be by means

of an extraordinary writ of mandate or prohibition filed within 30 days after the denial of his motion at the special hearing.

(j) If the property or evidence relates to a felony offense initiated by complaint and the defendant's motion for the return of the property or suppression of the evidence at the preliminary hearing is granted, and if the defendant is not held to answer at the preliminary hearing, the people may file a new complaint or seek an indictment after the preliminary hearing, and the ruling at the prior hearing shall not be binding in any subsequent proceeding. In the alternative, the people may move to reinstate the complaint, or those parts of the complaint for which the defendant was not held to answer, pursuant to Section 871.5. If the property or evidence relates to a felony offense initiated by complaint and the defendant's motion for the return or suppression of the property or evidence at the preliminary hearing is granted, and if the defendant is held to answer at the preliminary hearing, the ruling at the preliminary hearing shall be binding upon the people unless, upon notice to the defendant and the court in which the preliminary hearing was held and upon the filing of an information, the people within 15 days after the preliminary hearing request in the superior court a special hearing, in which case the validity of the search or seizure shall be relitigated de novo on the basis of the evidence presented at the special hearing, and the defendant shall be entitled, as a matter of right, to a continuance of the special hearing for a period of time up to 30 days. If defendant's motion is granted at a special hearing in the superior court, the people, if they have additional evidence relating to the motion and not presented at the special hearing, shall have the right to show good cause at the trial why such evidence was not presented at the special hearing and why the prior ruling at the special hearing should not be binding, or the people may seek appellate review as provided in subdivision (o), unless the court prior to the time such review is sought has dismissed the case pursuant to Section 1385. If the property or evidence seized relates solely to a misdemeanor complaint, and the defendant made a motion for the return of property or the suppression of evidence in the municipal court or justice court prior to trial, both the people and defendant shall have the right to appeal any decision of that court relating to that motion to the superior court of the county in which such inferior court is located, in accordance with the California Rules of Court provisions governing appeals from municipal and justice courts in criminal cases. If the people prosecute review by appeal or writ to decision, or any review thereof, in a felony or misdemeanor case, it shall be binding upon them.

(k) If the defendant's motion to return property or suppress evidence is granted and the case is dismissed pursuant to Section 1385, or the people appeal in a misdemeanor case pursuant to subdivision (j), the defendant shall be released pursuant to Section 1318 if he is in custody and not returned to custody unless the proceedings are resumed in the trial court and he is lawfully ordered

by the court to be returned to custody.

If the defendant's motion to return property or suppress evidence is granted and the people file a petition for writ of mandate or prohibition pursuant to subdivision (o) or a notice of intention to file such a petition, the defendant shall be released pursuant to Section 1318 unless (1) he is charged with a capital offense in a case where the proof is evident and the presumption great, or (2) he is charged with a noncapital offense defined in Chapter 1 (commencing with Section 187) of Title 8 of Part 1 and the court orders that the defendant be discharged from actual custody upon bail.

(*l*) If the defendant's motion to return property or suppress evidence is granted, the trial of a criminal case shall be stayed to a specified date pending the termination in the appellate courts of this state of the proceedings provided for in this section, Section 871.5, Section 1238, or Section 1466 and, except upon stipulation of the parties, pending the time for the initiation of such proceedings. Upon the termination of such proceedings, the defendant shall be brought to trial as provided by Section 1382, and subject to the provisions of Section 1382, whenever the people have sought and been denied appellate review pursuant to subdivision (o), the defendant shall be entitled to have the action dismissed if he is not brought to trial within 30 days of the date of the order which is the last denial of the petition. Nothing contained in this subdivision shall prohibit a court, at the same time as it rules upon the search and seizure motion, from dismissing a case pursuant to Section 1385 when such dismissal is upon the court's own motion and is based upon an order at the special hearing granting defendant's motion to return property or suppress evidence. In a misdemeanor case, the defendant shall be entitled to a continuance of up to 30 days if he intends to file a motion to return property or suppress evidence and needs this time to prepare for the special hearing on the motion. In case of an appeal by the defendant in a misdemeanor case from the denial of such motion, he shall be entitled to bail as a matter of right, and, in the discretion of the trial or appellate court, may be released on his own recognizance pursuant to Section 1318.4.

(m) The proceedings provided for in this section, Section 871.5, Section 995, Section 1238, and Section 1466 shall constitute the sole and exclusive remedies prior to conviction to test the unreasonableness of a search or seizure where the person making the motion for the return of property or the suppression of evidence is a defendant in a criminal case and the property or thing has been offered or will be offered as evidence against him. A defendant may seek further review of the validity of a search or seizure on appeal from a conviction in a criminal case notwithstanding the fact that such judgment of conviction is predicated upon a plea of guilty. Such review on appeal may be obtained by the defendant providing that at some stage of the proceedings prior to conviction he has moved for the return of property or the suppression of the evidence.

(n) Nothing contained in this section shall prohibit a person from

making a motion, otherwise permitted by law, to return property, brought on the ground that the property obtained is protected by the free speech and press provisions of the Federal and State Constitutions. Nothing in this section shall be construed as altering (i) the law of standing to raise the issue of an unreasonable search or seizure; (ii) the law relating to the status of the person conducting the search or seizure; (iii) the law relating to the burden of proof regarding the search or seizure; (iv) the law relating to the reasonableness of a search or seizure regardless of any warrant which may have been utilized; or (v) the procedure and law relating to a motion made pursuant to Section 871.5 or 995 or the procedures which may be initiated after the granting or denial of such a motion.

(o) Within 30 days after a defendant's motion is granted at a special hearing in the superior court, the people may file a petition for writ of mandate or prohibition, seeking appellate review of the ruling regarding the search or seizure motion. If the trial of a criminal case is set for a date which is less than 30 days from the granting of a defendant's motion at a special hearing in the superior court, the people, if they have not filed such a petition and wish to preserve their right to file such a petition, shall file in the superior court on or before the trial date or within 10 days after the special hearing, whichever occurs last, a notice of intention to file such a petition and shall serve a copy of the notice upon the defendant.

SEC. 2. The Legislature hereby declares that the amendment to Section 1538.5 of the Penal Code made in Section 1 of this act does not create any new grounds for the exclusion of evidence that did not exist prior to the effective date of this act. It is the intent of the Legislature that the changes made in that section are procedural only.

CHAPTER 53

An act to amend Section 51228 of the Education Code, relating to schools.

[Approved by Governor April 15, 1986. Filed with Secretary of State April 15, 1986.]

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

SECTION 1. Section 51228 of the Education Code is amended to read:

51228. (a) Each school district maintaining any of grades 7 to 12, inclusive, shall offer to all otherwise qualified pupils in those grades a course of study fulfilling the requirements and prerequisites for admission to the California public universities.

(b) Each school district maintaining any of grades 7 to 12, inclusive, shall offer to all otherwise qualified pupils in those grades

a course of study which provides an opportunity for those pupils to attain entry-level employment skills in business or industry upon graduation from high school.

(c) Any school district which adopts a required curriculum that meets or exceeds the model standards developed by the State Board of Education pursuant to Section 51226 shall be deemed to have fulfilled its responsibilities pursuant to this section.

(d) Any school district which adopts a required curriculum pursuant to subdivision (c) that meets or exceeds the model standards developed by the State Board of Education pursuant to Section 51226, or which adopts alternative means for pupils to complete the prescribed course of study pursuant to subdivision (b) of Section 51225.3, may substitute pupil demonstration of competence in the prescribed subjects through a practical demonstration of these skills in a regional occupational center or program, work experience, interdisciplinary study, independent study, credit earned at a postsecondary institution, or other outside school experience, as prescribed by Section 51225.

CHAPTER 54

An act to amend Sections 17063, 17276.5, 17507, and 24417 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor April 15, 1986. Filed with Secretary of State April 15, 1986]

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

SECTION 1. Section 17063 of the Revenue and Taxation Code is amended to read:

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

(a) An amount equal to the excess itemized deductions for the taxable year (as determined under Section 17063.2).

(b) With respect to each "Section 1250 property" (as defined in Section 1250(c) of the Internal Revenue Code), the amount by which the deduction allowable for the taxable year for exhaustion, wear or tear, obsolescence, or amortization exceeds the depreciation deduction which would have been allowable for the taxable year, had the taxpayer depreciated the property under the straight line method for each taxable year of its useful life (determined without regard to Section 167(k) of the Internal Revenue Code) for which the taxpayer has held the property.

(c) With respect to each item of Section 1245 property (as defined in Section 1245(a) (3) of the Internal Revenue Code) which is subject to a lease, the amount by which—

(1) The deduction allowable for the taxable year for depreciation or amortization, exceeds

(2) The deduction which would have been allowable for the taxable year had the taxpayer depreciated the property under the straight line method for each taxable year of its useful life for which the taxpayer has held the property.

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

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

(f) The amount of net farm loss in excess of fifty thousand dollars ($50,000) which is deducted from nonfarm income. In the case of a husband or wife who files a separate return, the amount specified in the preceding sentence shall be twenty-five thousand dollars ($25,000). This subdivision shall not apply if two-thirds or more of the taxpayer's gross income from all sources for three taxable years out of the immediately preceding five years is from farming. Nor shall this subdivision apply if the net farm loss is the result of aquaculture activities. For purposes of this subdivision, "aquaculture" means a form of agriculture as defined in Section 17 of the Fish and Game Code.

(g) The excess of the intangible drilling and development costs described in Section 263(c) of the Internal Revenue Code paid or incurred in connection with oil, gas, and geothermal wells (other than costs incurred in drilling a nonproductive well) allowable under this part for the taxable year over the amount which would have been allowable for the taxable year if such costs had been capitalized and straight line recovery of intangibles (as defined in Section 17063.3) had been used with respect to such costs. This subdivision shall be applied separately with respect to:

(1) All oil and gas properties which are not described in paragraph (2), and

(2) All properties which are geothermal deposits (as defined in Section 613(e)(3) of the Internal Revenue Code of 1954).

(h) With respect to each mine or other natural deposit (other than an oil or gas well) of the taxpayer, an amount equal to the excess of—

(1) The amount allowable as a deduction under Section 17689.5 or 17690(a), over

(2) The amount which would have been allowable if the expenditures had been capitalized and amortized ratably over the 10-year period beginning with the taxable year in which those

expenditures were made.

(i) An amount equal to the excess of—

(1) The amount allowable as a deduction under Section 173 or 174(a) of the Internal Revenue Code, relating to circulation expenses and research and experimental expenditures, for the taxable year, over

(2) The amount which would have been allowable for the taxable year with respect to expenditures paid or incurred during that taxable year if—

(A) The circulation expenditures described in Section 173 of the Internal Revenue Code had been capitalized and amortized ratably over the three-year period beginning with the taxable year in which those expenditures were made, or

(B) The research and experimental expenditures described in Section 174 of the Internal Revenue Code had been capitalized and amortized ratably over the 10-year period beginning with the taxable year in which those expenditures were made.

SEC. 1.5. Section 17063 of the Revenue and Taxation Code is amended to read:

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

(a) An amount equal to the excess itemized deductions for the taxable year (as determined under Section 17063.2).

(b) With respect to each "Section 1250 property" (as defined in Section 1250(c) of the Internal Revenue Code), the amount by which the deduction allowable for the taxable year for exhaustion, wear or tear, obsolescence, or amortization exceeds the depreciation deduction which would have been allowable for the taxable year, had the taxpayer depreciated the property under the straight line method for each taxable year of its useful life (determined without regard to Section 167(k) of the Internal Revenue Code) for which the taxpayer has held the property.

(c) With respect to each item of Section 1245 property (as defined in Section 1245(a)(3) of the Internal Revenue Code) which is subject to a lease, the amount by which—

(1) The deduction allowable for the taxable year for depreciation or amortization, exceeds

(2) The deduction which would have been allowable for the taxable year had the taxpayer depreciated the property under the straight line method for each taxable year of its useful life for which the taxpayer has held the property.

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

(e) The amount of the tax preference income with respect to capital gains shall be an amount (but not below zero) equal to the difference between (1) the taxpayer's total net capital gains and

losses (determined without regard to any capital loss carryover) for the taxable year, and (2) the taxpayer's net capital gains and losses recognized by virtue of Section 18162.5 for the same taxable year.

(f) The amount of net farm loss in excess of fifty thousand dollars ($50,000) which is deducted from nonfarm income. In the case of a husband or wife who files a separate return, the amount specified in the preceding sentence shall be twenty-five thousand dollars ($25,000). This subdivision shall not apply if two-thirds or more of the taxpayer's gross income from all sources for three taxable years out of the immediately preceding five years is from farming. Nor shall this subdivision apply if the net farm loss is the result of aquaculture activities. For purposes of this subdivision, "aquaculture" means a form of agriculture as defined in Section 17 of the Fish and Game Code.

(g) The excess of the intangible drilling and development costs described in Section 263(c) of the Internal Revenue Code paid or incurred in connection with oil, gas, and geothermal wells (other than costs incurred in drilling a nonproductive well) allowable under this part for the taxable year over the amount which would have been allowable for the taxable year if such costs had been capitalized and straight line recovery of intangibles (as defined in Section 17063.3) had been used with respect to such costs. This subdivision shall be applied separately with respect to:

(1) All oil and gas properties which are not described in paragraph (2), and

(2) All properties which are geothermal deposits (as defined in Section 613(e) (3) of the Internal Revenue Code of 1954).

(h) With respect to each mine or other natural deposit (other than an oil or gas well) of the taxpayer, an amount equal to the excess of—

(1) The amount allowable as a deduction under Section 17689.5 or 17690(a), over

(2) The amount which would have been allowable if the expenditures had been capitalized and amortized ratably over the 10-year period beginning with the taxable year in which those expenditures were made.

(i) An amount equal to the excess of—

(1) The amount allowable as a deduction under Section 173 or 174(a) of the Internal Revenue Code, relating to circulation expenses and research and experimental expenditures, for the taxable year, over

(2) The amount which would have been allowable for the taxable year with respect to expenditures paid or incurred during that taxable year if—

(A) The circulation expenditures described in Section 173 of the Internal Revenue Code had been capitalized and amortized ratably over the three-year period beginning with the taxable year in which those expenditures were made, or

(B) The research and experimental expenditures described in

Section 174 of the Internal Revenue Code had been capitalized and amortized ratably over the 10-year period beginning with the taxable year in which those expenditures were made.

(j) The amount allowable as a deduction for interest paid or accrued for the taxable year on nonmortgage indebtedness. For purposes of this subdivision, "nonmortgage indebtedness" means all forms of indebtedness except indebtedness secured by a mortgage or deed of trust on real property and indebtedness related to a trade or business.

SEC. 2. Section 17276.5 of the Revenue and Taxation Code is amended to read:

17276.5. The term "qualified taxpayer" as used in Section 17276 means any one of the following:

(a) A taxpayer engaged in a new small business.

(1) A net operating loss of a new small business shall not be a net operating loss carryback to any taxable year and shall be a net operating loss carryover to each of the 15 taxable years following the taxable year of the loss.

(A) A net operating loss may be carried over only by the individual or legal entity incurring the net operating loss.

(B) A net operating loss deduction by a taxpayer shall be allowed only for losses occurring within the first 24 months of active operation of the small business.

(C) The total amount of net operating loss a new small business may carry over pursuant to Section 17276 beginning on or after January 1, 1984, and thereafter, shall not exceed an aggregate of one hundred thousand dollars ($100,000) for all taxable years.

(2) For purposes of this subdivision, the definition of "small business" established by the Department of General Services shall apply, with the following modifications:

(A) A taxpayer shall qualify as a "small business" if the gross receipts for the initial year of operation do not exceed one-third of the maximum receipts specified in Section 1896 of Subchapter 8 of Title 2 of the California Administrative Code for the applicable industry group. If the maximum receipts specified are modified at any time during the taxable year, the amount stated at the end of the taxable year shall apply.

(B) Where the initial calendar year of operation is less than 12 months, gross receipts for that year shall be annualized for purposes of applying subparagraph (A).

(C) The taxpayer shall bear the burden of furnishing all information in support of a claim that it qualifies as a new "small business" as defined in this subdivision.

The term "new small business" does not include any business or corporation which, for tax purposes only, liquidates its assets, in whole or in part, in anticipation of an operating loss and then subsequently reorganizes that portion of the business or corporation under a new name.

(3) No net operating loss deduction shall be allowed for any loss

which occurs prior to January 1, 1984, or for any loss which occurs in any taxable year beginning prior to January 1, 1984.

(4) For purposes of this subdivision, "net operating loss" means the loss determined under Section 172 of the Internal Revenue Code, as modified by Section 17276, attributable to a new small business.

(b) A taxpayer engaged in the conduct of a qualified business within a program area (as defined in Section 7082 of the Government Code).

(1) A net operating loss shall not be a net operating loss carryback to any taxable year and a net operating loss for any taxable year beginning on or after the date that the taxpayer becomes a qualified business shall be a net operating loss carryover to each of the 15 taxable years following the taxable year of loss.

(2) For purposes of this subdivision:

(A) "Net operating loss" means the loss determined under Section 172 of the Internal Revenue Code, as modified by Section 17276, attributable to the business activities of the taxpayer within the program area (as defined in Section 7082 of the Government Code). That attributed loss shall be determined in accordance with the provisions of Article 2 (commencing with Section 25120) of Chapter 17 of Part 11.

(B) A net operating loss carryover shall be a deduction only with respect to income attributed to the business activities of the taxpayer within the program area (as defined in Section 7082 of the Government Code) determined in accordance with the provisions of Article 2 (commencing with Section 25120) of Chapter 17 of Part 11.

(3) No net operating loss deduction shall be allowed for any loss which occurs prior to January 1, 1984, or for any loss which occurs in any taxable year beginning prior to January 1, 1984.

(c) A taxpayer who is engaged in the conduct of a trade or business within an enterprise zone designated pursuant to Section 7073 of the Government Code on or after that designation.

(1) A net operating loss shall not be a net operating loss carryback to any taxable year and a net operating loss for any taxable year beginning on or after the date that the area in which the taxpayer conducts a trade or business is designated an enterprise zone shall be a net operating loss carryover to each following taxable year that ends before the expiration or revocation of the designation of the enterprise zone under Section 7073 of the Government Code or to each of 15 taxable years following the taxable year of loss, if longer.

(2) For purposes of this subdivision:

(A) "Net operating loss" means the loss determined under Section 172 of the Internal Revenue Code, as modified by Section 17276, attributable to the business activities of the taxpayer within the enterprise zone (as defined in Section 7073 of the Government Code). The attributed loss shall be determined in accordance with the provisions of Article 2 (commencing with Section 25120) of Chapter 17 of Part 11.

(B) A net operating loss carryover shall be a deduction only with

respect to income attributed to the business activities of the taxpayer within the enterprise zone (as defined in Section 7073 of the Government Code) determined in accordance with the provisions of Article 2 (commencing with Section 25120) of Chapter 17 of Part 11.

(3) No net operating loss deduction shall be allowed for any loss which occurs prior to January 1, 1984, or for any loss which occurs in any taxable year beginning prior to January 1, 1984.

(d) A taxpayer engaged in the business of farming in this state.

(1) A net operating loss shall not be a net operating loss carryback to any taxable year and shall be a net operating loss carryover to each of the 15 taxable years following the taxable year of the loss.

(A) A net operating loss may be carried over only by the individual or legal entity incurring the net operating loss, except as provided by Section 642(h) of the Internal Revenue Code.

(B) For any net operating loss incurred in any taxable year beginning on or after January 1, 1985, the total amount of net operating loss that a taxpayer may carryover pursuant to Section 17276 to any taxable year beginning on or after January 1, 1986, shall not exceed an aggregate of fifty thousand dollars ($50,000) for any one taxable year. The net operating loss deduction claimed by any taxpayer pursuant to Section 17276 for any taxable year beginning after December 31, 1985, and incurred in any taxable year beginning after December 31, 1984, through any taxable year ending on or before December 31, 1992, shall not exceed an aggregate of two hundred fifty thousand dollars ($250,000).

(2) For purposes of this subdivision:

(A) (i) Except as provided in clause (ii), "net operating loss" means the loss determined under Section 172 of the Internal Revenue Code, as modified by Section 17276, attributed to the business of farming.

(ii) For purposes of clause (i), the amount of the nonbusiness deductions and the zero bracket amount deduction determined under Section 172(d)(4) and Section 172(d)(7) of the Internal Revenue Code, respectively, shall not be allowed in determining the amount of a net operating loss.

(B) A net operating loss carryover shall be a deduction only against income attributed to the business of farming.

(C) The term "business of farming" means that at least two-thirds of the taxpayer's gross income from all sources for three out of the immediately preceding five taxable years is from farming. The term "business of farming" shall have the same meaning as the term "carrying on of the trade or business of farming" as that term is used in Section 17064.7.

(D) The term "in this state" means that the sum of the taxpayer's payroll and property factors in this state divided by two is at least two-thirds. For the purposes of this subdivision, "property factor" is the same as that defined in Section 25129. For the purposes of this subdivision, "payroll factor" is the same as that defined in Section 25132. For the purposes of this subdivision, the property factor shall

not include the lease or fee payments for grazing rights for periods of six months or less in an annual period.

(3) Where 50 percent or more of the stock of a corporation engaged in the business of farming is owned by a taxpayer (including the taxpayer's spouse or minor child) engaged in the business of farming, the aggregate net farm operating loss deductions of the taxpayer (including the taxpayer's spouse or minor child) and the corporation cannot exceed the amounts specified in subparagraph (B) of paragraph (1).

(4) This subdivision shall not apply to any taxpayer engaged in the business of farming which, principally for the purpose of avoiding tax, liquidates assets, in whole or in part and then subsequently reorganizes that portion of the business under a new name.

(5) No net operating loss deduction shall be allowed for any loss which occurs prior to January 1, 1985, or for any loss which occurs in any taxable year beginning prior to January 1, 1985. No net operating loss deduction shall be allowed for any loss which occurs in any taxable year ending after December 31, 1992.

(e) A taxpayer who qualifies as a "qualified taxpayer" shall, for the taxable year of the net operating loss and any taxable year to which that net operating loss may be carried, designate on the return filed for each year the subdivision of this section which applies to that taxpayer with respect to that net operating loss. If the taxpayer is eligible to qualify under more than one subdivision of this section, the designation is to be made after taking into account the election required by subdivision (f) and shall be consistent with that election.

(f) If a taxpayer is eligible to qualify under more than one subdivision of this section as a "qualified taxpayer," with respect to a net operating loss in a taxable year, the taxpayer shall elect which subdivision of this section is to apply to the taxpayer. The election is to be made in a statement attached to the original return, timely filed, for the year the net operating loss is incurred and shall be irrevocable.

SEC. 3. Section 17507 of the Revenue and Taxation Code is amended to read:

17507. The provisions of Section 408 of the Internal Revenue Code, relating to individual retirement accounts, shall be modified as follows:

(a) The following provisions shall be incorporated into Section 408(e) of the Internal Revenue Code:

(1) In the case of such a plan in existence in taxable year 1975 where contributions were made pursuant to, and in conformance with, Section 408 or 409 of the Internal Revenue Code of 1954, as amended by the Employee Retirement Income Security Act of 1974 (P.L. 93-406), any net income attributable to the 1975 contribution shall not be includable in the gross income, for taxable year 1977 or succeeding taxable years, of the individual for whose benefit the plan was established until distributed pursuant to the provisions of the plan or by operation of law.

(2) In the case of a simplified employee pension, where contributions are also made pursuant to, and in conformance with, the provisions of Section 408(k) of the Internal Revenue Code of 1954, the net income attributable to the nondeductible portion of such contributions shall not be includable in the gross income of the individual for whose benefit the plan was established for the taxable year or for succeeding taxable years until distributed pursuant to the provisions of the plan or by operation of law.

(3) Notwithstanding the limitations provided in Section 17272 with respect to the amount of deductible contributions and individuals eligible for the deduction, any income attributable to contributions made to a plan in existence in taxable years beginning on or after January 1, 1982, in conformance with Sections 219, 220, 408, and 409 of the Internal Revenue Code of 1954, as amended by Public Law 97-34, shall not be includable in the gross income of the individual for whose benefit the plan was established until distributed pursuant to the provisions of the plan or by operation of law. The Franchise Tax Board shall prescribe regulations with respect to the determination of the amount of the income included in the amount distributed or deemed distributed by operation of law which is includable in the individual's gross income in the taxable year in which the distribution is received or deemed distributed by operation of law.

(b) The additional tax imposed by Section 408(f) of the Internal Revenue Code shall be an amount equal to 2½ percent of the amount required to be included in gross income.

(c) The provisions of Section 408(d) of the Internal Revenue Code are modified as follows:

(1) For taxable years beginning on or after January 1, 1983, Section 408(d)(1) of the Internal Revenue Code shall be modified to provide that the basis of any person in such an account or annuity is the amount of contributions not allowed as a deduction under subdivision (a), (e), or (g) of Section 17272 on account of the purchase of the account or annuity.

(2) Any amount paid or distributed out of an individual retirement account or under an individual retirement annuity shall first be attributable to basis as defined in paragraph (1) and shall not be included in gross income until the amount excluded under this paragraph is equal to the amount of the basis.

(d) A copy of the report, which is required to be filed with the Secretary of the Treasury under Section 408(i) or 408(*l*) of the Internal Revenue Code, shall be filed with the Franchise Tax Board at the same time and in the same manner as specified in those sections.

SEC. 4. Section 24417 of the Revenue and Taxation Code is amended to read:

24417. The term "qualified taxpayer" as used in Section 24416 means any one of the following:

(a) A taxpayer engaged in a new small business.

(1) A net operating loss of a new small business shall not be a net operating loss carryback to any income year and shall be a net operating loss carryover to each of the 15 income years following the income year of the loss.

(A) A net operating loss may be carried over only by the corporation incurring the net operating loss.

(B) A net operating loss deduction by a taxpayer shall be allowed only for losses occurring within the first 24 months of active operation of the small business.

(C) The total amount of net operating loss a new small business may carry over pursuant to Section 24416 beginning on or after January 1, 1984, and thereafter, shall not exceed an aggregate of one hundred thousand dollars ($100,000) for all income years.

(2) For purposes of this subdivision, the definition of "small business" established by the Department of General Services shall apply, with the following modifications:

(A) A taxpayer shall qualify as a "small business" if the gross receipts for the initial year of operation do not exceed one-third of the maximum receipts specified in Section 1896 of subchapter 8 of Title 2 of the California Administrative Code for the applicable industry group. If the maximum receipts specified are modified at any time during the income year, the amount stated at the end of the income year shall apply.

(B) Where the initial calendar year of operation is less than 12 months, gross receipts for that year shall be annualized for purposes of applying subparagraph (A).

(C) The taxpayer shall bear the burden of furnishing all information in support of a claim that it qualifies as a new "small business" as defined in this subdivision.

(3) The term "new small business" does not include any of the following:

(A) A corporation which, for tax purposes only, liquidates its assets in whole or in part, in anticipation of an operating loss and then subsequently reorganizes that portion of the corporation under a new name.

(B) A corporation which is part of a controlled group, as defined by Section 1563 of the Internal Revenue Code. However, for purposes of this subparagraph, where the term "80 percent" is used in Section 1563 of the Internal Revenue Code, the term "50 percent" shall be substituted in lieu of "80 percent."

(C) A corporation which is controlled by another corporation, and whose affiliation with the controlling corporation does not constitute a small business. For purposes of this subparagraph, "controlled" means the ownership of stock possessing more than 50 percent of the total combined voting power of all classes of stock entitled to vote.

(4) No net operating loss deduction shall be allowed for any loss which occurs prior to January 1, 1984, or for any loss which occurs in any income year beginning prior to January 1, 1984.

(5) For purposes of this subdivision, "net operating loss" means

the loss determined under Section 172 of the Internal Revenue Code, as modified by Section 24416, attributable to a new small business.

(b) A taxpayer engaged in the conduct of a qualified business within a program area (as defined in Section 7082 of the Government Code).

(1) (A) A net operating loss shall not be a net operating loss carryback for any income year and, except as provided in subparagraph (B), a net operating loss for any income year beginning on or after the date that the taxpayer becomes a qualified business shall be a net operating loss carryover to each of the 15 income years following the income year of loss.

(B) In the case of a financial institution to which Section 585, 586, or 593 of the Internal Revenue Code applies, a net operating loss for any income year beginning on or after January 1, 1984, shall be a net operating loss carryover to each of the three income years following the income year of the loss. Subdivision (e) of Section 24416 and Section 172(b)(1)(F) and (G) of the Internal Revenue Code shall not apply.

(2) For purposes of this subdivision:

(A) "Net operating loss" means the loss determined under Section 172 of the Internal Revenue Code, as modified by Section 24416, attributable to the business activities of the taxpayer within the program area (as defined in Section 7082 of the Government Code). That attributed loss shall be determined in accordance with the provisions of Article 2 (commencing with Section 25120) of Chapter 17.

(B) A net operating loss carryover shall be a deduction only with respect to income attributed to the business activities of the taxpayer within the program area (as defined in Section 7082 of the Government Code) determined in accordance with the provisions of Article 2 (commencing with Section 25120) of Chapter 17.

(3) In determining the amount of the net operating loss deduction of any taxpayer under this subdivision, there shall be disregarded the net operating loss of that taxpayer for any income year for which the taxpayer is an electing small business corporation under Subchapter S of the Internal Revenue Code.

(4) No net operating loss deduction shall be allowed for any loss which occurs prior to January 1, 1984, or for any loss which occurs in any income year beginning prior to January 1, 1984.

(c) A taxpayer who is engaged in the conduct of a trade or business within an enterprise zone designated pursuant to Section 7073 of the Government Code on or after that designation.

(1) (A) A net operating loss shall not be a net operating loss carryback to any income year and, except as provided in subparagraph (B), a net operating loss for any income year beginning on or after the date that the area in which the taxpayer conducts a trade or business is designated an enterprise zone shall be a net operating loss carryover to each following income year that ends before the expiration or revocation of the designation of the

enterprise zone under Section 7073 of the Government Code or to each of 15 income years following the income year of loss, if longer.

(B) In the case of a financial institution to which Section 585, 586, or 593 of the Internal Revenue Code applies, a net operating loss for any income year beginning on or after January 1, 1984, shall be a net operating loss carryover to each of the five income years following the income year of the loss. Subdivision (e) of Section 24416 and Section 172(B)(1)(F) and (G) of the Internal Revenue Code shall not apply.

(2) For purposes of this subdivision:

(A) "Net operating loss" means the loss determined under Section 172 of the Internal Revenue Code, as modified by Section 24416, attributable to the business activities of the taxpayer within the enterprize zone (as defined in Section 7073 of the Government Code). The attributed loss shall be determined in accordance with the provisions of Article 2 (commencing with Section 25120) of Chapter 17.

(B) A net operating loss carryover shall be a deduction only with respect to income attributed to the business activities of the taxpayer within the enterprise zone (as defined in Section 7073 of the Government Code) determined in accordance with the provisions of Article 2 (commencing with Section 25120) of Chapter 17.

(3) In determining the amount of the net operating loss deduction of any taxpayer under this subdivision, there shall be disregarded the net operating loss of that taxpayer for any income year for which the taxpayer is an electing small business corporation under Subchapter S of the Internal Revenue Code.

(4) No net operating loss deduction shall be allowed for any loss which occurs prior to January 1, 1984, or for any loss which occurs in any income year beginning prior to January 1, 1984.

(d) A taxpayer engaged in the business of farming in this state.

(1) A net operating loss shall not be a net operating loss carryback to any income year and shall be a net operating loss carryover to each of the 15 income years following the income year of the loss.

(A) A net operating loss may be carried over only by the corporation incurring the net operating loss.

(B) For any net operating loss incurred in any income year beginning on or after January 1, 1985, the total amount of net operating loss that a taxpayer may carryover pursuant to Section 24416 to any income year beginning on or after January 1, 1986, shall not exceed an aggregate of fifty thousand dollars ($50,000) for any one income year. The net operating loss deduction claimed by any taxpayer pursuant to Section 24416 for any income year beginning after December 31, 1985, and incurred in any income year beginning after December 31, 1984, through any income year ending on or before December 31, 1992, shall not exceed an aggregate of two hundred fifty thousand dollars ($250,000).

(2) For purposes of this subdivision:

(A) "Net operating loss" means the loss determined under

Section 172 of the Internal Revenue Code, as modified by Section 24416, attributed to the business of farming.

(B) A net operating loss carryover shall be a deduction only against income attributed to the business of farming.

(C) The term "business of farming" means that at least two-thirds of the taxpayer's gross income from all sources for three out of the immediately preceding five years is from farming. The term "business of farming" shall have the same meaning as the term "carrying on of the trade or business of farming" as that term is used in Section 17064.7.

(D) The term "in this state" means that the sum of the taxpayer's property and payroll factors (computed pursuant to Chapter 17 (commencing with Section 25101)), divided by two is at least two-thirds.

(3) Where 50 percent or more of the stock of a corporation engaged in the business of farming is owned by a taxpayer (including the taxpayer's spouse or minor child) engaged in the business of farming, the aggregate net farm operating loss deductions of the taxpayer (including the taxpayer's spouse or minor child) and the corporation cannot exceed the amounts specified in subparagraph (B) of paragraph (1).

(4) This subdivision shall not apply to any taxpayer engaged in the business of farming which, principally for the purpose of avoiding tax, liquidates assets, in whole or in part, and then subsequently reorganizes that portion of the business under a new name.

(5) No net operating loss deduction shall be allowed for any loss which occurs prior to January 1, 1985, or for any loss which occurs in any income year beginning prior to January 1, 1985. No net operating loss deduction shall be allowed for any loss which occurs in any income year ending after December 31, 1992.

(6) This subdivision shall not apply with respect to any corporation which has more than 10 shareholders.

(e) A taxpayer who qualifies as a "qualified taxpayer" shall, for the income year of the net operating loss and any income year to which that net operating loss may be carried, designate on the return filed for each year the subdivision of this section which applies to that taxpayer with respect to that net operating loss. If the taxpayer is eligible to qualify under more than one subdivision of this section, the designation is to be made after taking into account the election required by subdivision (f) and shall be consistent with that election.

(f) If a taxpayer is eligible to qualify under more than one subdivision of this section as a "qualified taxpayer," with respect to a net operating loss in an income year, the taxpayer shall elect which subdivision of this section is to apply to the taxpayer. The election is to be made in a statement attached to the original return, timely filed, for the year the net operating loss is incurred and shall be irrevocable.

SEC. 5. On or before December 31, 1991, the Franchise Tax Board shall report to the Legislature on the number of taxpayers

making use of the net operating loss carryover provisions of subdivision (d) of Sections 17276.5 and 24417 of the Revenue and Taxation Code, and the aggregate amount of loss which has been carried over pursuant to those subdivisions for each taxable and income year beginning after December 31, 1984, and ending on or before December 31, 1990.

SEC. 6. The amendments to Section 17507 of the Revenue and Taxation Code made by this act shall apply in the computation of taxes for taxable years commencing on or after January 1, 1985.

SEC. 7. Section 1.5 of this bill incorporates amendments to Section 17063 of the Revenue and Taxation Code proposed by both this bill and AB 742. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 1987, (2) each bill amends Section 17063 of the Revenue and Taxation Code, and (3) this bill is enacted after AB 742, in which case Section 17063 of the Revenue and Taxation Code, as amended by AB 742, shall remain operative only until the operative date of this bill, at which time Section 1.5 of this bill shall become operative, and Section 1 of this bill shall not become operative.

SEC. 8. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect.

CHAPTER 55

An act to amend Sections 8880.5, 8880.13, 8880.18, 8880.19, 8880.29, 8880.32, 8880.34, 8880.35, 8880.38, 8880.43, 8880.46, 8880.48, 8880.50, 8880.52, 8880.54, 8880.56, 8880.59, 8880.60, 8880.61, 8880.65, and 8880.70 of, and to repeal and add Section 8880.57 of, the Government Code, and to amend Sections 470 and 475 of, and to add Section 11105.01 to, the Penal Code, relating to the California State Lottery Act of 1984, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 15, 1986 Filed with Secretary of State April 16, 1986]

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

SECTION 1. (a) The Legislature finds and declares that the provisions of this act further the purpose of the California State Lottery Act of 1984.

(b) The Legislature further finds and declares that this act is intended to clarify inconsistencies in the original California State Lottery Act of 1984 and is intended to foster and promote full competition in contracting. It is the Legislature's intent that full competition in contracting will ensure that more of the funds generated by the Lottery Act will go directly to education and further the purpose of the act which is to provide additional moneys to benefit education.

(c) The Legislature further declares that it is the intent of this act to encourage the Lottery Commission to provide every opportunity for small businesses, economically disadvantaged businesses, and California businesses to participate in the Lottery contracting process.

SEC. 2. Section 8880.5 of the Government Code is amended to read:

8880.5. Allocations for Education

The California State Lottery Education Fund is created within the State Treasury, and is continuously appropriated for carrying out the purposes of this chapter. The Controller shall draw warrants on this fund and distribute them quarterly in the following manner, provided that the payments specified in subdivisions (a) to (f), inclusive, shall be equal per capita amounts:

(a) Payments shall be made directly to public school districts, including county superintendents of schools, serving grades kindergarten through 12, or any part thereof, on the basis of an equal amount for each unit of average daily attendance, as defined by law.

(b) Payments shall also be made directly to public school districts serving community colleges, on the basis of an equal amount for each unit of average daily attendance, as defined by law.

(c) Payments shall also be made directly to the Board of Trustees of the California State University on the basis of an amount for each unit of equivalent full-time enrollment. Funds received by the trustees shall be deposited in and expended from the California State University Lottery Education Fund which is hereby created.

(d) Payments shall also be made directly to the Regents of the University of California on the basis of an amount for each unit of equivalent full-time enrollment.

(e) Payments shall also be made directly to the Board of Directors of the Hastings College of the Law on the basis of an amount for each unit of equivalent full-time enrollment.

(f) Payments shall also be made directly to the California Maritime Academy Board of Governors on the basis of an amount for each unit of equivalent full-time enrollment.

(g) No Budget Act or other statutory provision shall direct that payments for public education made pursuant to this chapter be used for purposes and programs (including workload adjustments and maintenance of the level of service) authorized by Chapters 498, 565, and 1302 of the Statutes of 1983, Chapter 97 or 258 of the Statutes of 1984, or Chapter 1 of the Statutes of 1984, Second Extraordinary Session.

(h) School districts and other agencies receiving funds distributed pursuant to this chapter may at their option utilize funds allocated by this chapter to provide additional funds for those purposes and programs prescribed by subdivision (g) for the purpose of enrichment or expansion.

(i) As a condition of receiving any moneys pursuant to subdivision (a) or (b), each district and county superintendent of schools shall

establish a separate account for the receipt and expenditure of those moneys, which account shall be clearly identified as a lottery education account.

It is the intent of this chapter that all funds allocated from the California State Lottery Education Fund shall be used exclusively for the education of pupils and students and no funds shall be spent for acquisition of real property, construction of facilities, financing of research, or any other noninstructional purpose.

SEC. 3. Section 8880.13 of the Government Code is amended to read:

8880.13. "Lottery Game Retailer"

"Lottery Game Retailer" means a person or organization with whom the Lottery Commission may contract for the purpose of selling tickets or shares in Lottery Games to the public.

SEC. 4. Section 8880.18 of the Government Code is amended to read:

8880.18. Compensation and Expenses

Commissioners shall be compensated at the rate of one hundred dollars ($100) for each day they are engaged in Commission business. Commission members shall be reimbursed for actual expenses incurred on Commission business, including necessary travel expenses as determined by the Department of Personnel Administration.

SEC. 5. Section 8880.19 of the Government Code is amended to read:

8880.19. Annual Selection of Chairperson

The Commission shall select annually from its membership a chairperson. The chairperson shall have the power to convene special meetings of the Commission upon 48 hours' written notice to members of the Commission.

SEC. 6. Section 8880.29 of the Government Code is amended to read:

8880.29. Number and Value of Prizes

(a) The Commission shall promulgate rules and regulations which specify the number and value of prizes for winning tickets or shares in each Lottery Game including, without limitation, cash prizes, merchandise prizes, prizes consisting of deferred payments or annuities, and prizes of tickets or shares in the same Lottery Game or other games conducted by the Lottery, provided:

(1) In Lottery Games utilizing tickets, the overall estimated odds of winning some prize or some cash prize as appropriate for the Lottery Game shall be printed on each ticket.

(2) A detailed tabulation of the estimated number of prizes of each particular prize denomination that are expected to be awarded in each Lottery Game, or the estimated odds of winning the prizes, shall be available at each location at which tickets or shares in such Lottery Games are offered for sale to the public.

(b) Annuity contracts which are purchased for prizes shall be exempt from the requirements of Section 8880.57.

SEC. 7. Section 8880.32 of the Government Code is amended to read:

8880.32. Validation and Payment of Prizes

The Commission shall promulgate rules and regulations to establish a system of verifying the validity of prizes and to effect payment of such prizes, provided:

(a) For convenience of the public, Lottery Game Retailers may be authorized by the Commission to pay winners of up to six hundred dollars ($600) after performing validation procedures on their premises appropriate to the Lottery Game involved.

(b) No prize may be paid arising from tickets or shares that are stolen, counterfeit, altered, fraudulent, unissued, produced or issued in error, unreadable, not received or not recorded by the Lottery by applicable deadlines, lacking in captions that confirm and agree with the lottery play symbols required by the Lottery Game involved, purchased by a minor, or not in compliance with such additional specific rules and regulations and confidential validation and security tests appropriate to the particular Lottery Game.

(c) No particular prize in any Lottery Game may be paid more than once, and in the event the Commission reaches a binding determination that more than one claimant is entitled to a particular prize, the sole remedy of the claimants is the award to each of them of an equal share in the prize and the Commission shall direct the Controller to disburse the award to the claimants in equal shares.

(d) The Commission may specify that winners of less than twenty-five dollars ($25) claim the prizes from either the same Lottery Game Retailer from whom it was purchased or from the Lottery itself.

(e) Players shall have the right to claim prize money for 180 days after the drawing or the end of the Lottery Game or play in which the prize was won. The Commission may define shorter time periods for eligibility for participation in, and entry into, drawings involving entries or finalists. If a valid claim is not made for a prize directly payable by the Lottery Commission within the period applicable for that prize, the unclaimed prize money shall revert to the benefit of the public purpose described in this chapter.

(f) After the expiration of the claim period for prizes for each Lottery Game, the Commission shall make available a detailed tabulation of the total number of tickets or shares actually sold in a Lottery Game and the total number of prizes of each prize denomination that were actually claimed and paid directly by the Lottery Commission.

(g) The right of any person to a prize shall not be assignable, except that payment of any prize may be paid to the estate of a deceased prize winner or to a person designated pursuant to an appropriate judicial order. In the event that there is no probate, the prize shall be distributed in accordance with Section 21211. The Director, the Commission, and the state shall be discharged of all further liability upon the payment of a prize pursuant to this

subdivision.

(h) A ticket or share shall not be purchased by, and a prize shall not be paid to, a member of the Commission or to any officer or employee of the Commission or to any spouse, child, brother, sister, or parent of that person. Any person who knowingly sells or purchases a ticket or share in violation of this section, or who knowingly claims or attempts to claim a prize with a ticket or share that was purchased or sold in violation of this section, is guilty of a misdemeanor.

(i) No prize shall be paid to any person under the age of 18 years. Any person who knowingly claims or attempts to claim a prize with a ticket or share purchased by a person under the age of 18 years is guilty of a misdemeanor.

SEC. 8. Section 8880.34 of the Government Code is amended to read:

8880.34. Salary

The Director shall be compensated at the rate determined by the Department of Personnel Administration. The Director shall devote his or her entire time and attention to the duties of his or her office and shall not be engaged in any other profession or occupation.

SEC. 9. Section 8880.35 of the Government Code is amended to read:

8880.35. Duties, Powers, and Jurisdiction

The Director shall, subject to the approval of the Commission, perform all duties, exercise all powers and jurisdiction, assume and discharge all responsibilities, and carry out and effect all purposes of this chapter. The Director shall act as Secretary of the Commission and Executive Officer of the Lottery. The Director shall supervise and administer the operation of the Lottery in accordance with this chapter and the rules and regulations promulgated by the Commission. In addition, the Director shall have access to criminal history information pursuant to Sections 11105 and 11105.01 of the Penal Code. In all decisions, the Director shall take into account the particularly sensitive nature of the California State Lottery and shall act to promote and ensure integrity, security, honesty, and fairness of the operation and administration of the Lottery.

SEC. 10. Section 8880.38 of the Government Code is amended to read:

8880.38. Deputy Director for Security

One of the deputy directors shall be responsible for a security division to assure integrity, honesty, and fairness in the operation and administration of the California State Lottery, including, but not limited to, an examination of the qualifications of all prospective employees, Lottery Game Retailers, and Lottery suppliers as defined in Section 8880.57. The Deputy Director for Security shall be qualified by training and experience, including at least five years of law enforcement experience, and shall have knowledge and experience in computer security, to fulfill these responsibilities. The Deputy Director for Security shall confer with the Attorney General

or his or her designee and the Controller or his or her designee as the Deputy Director for Security deems necessary and advisable to promote and ensure integrity, security, honesty, and fairness of the operation and administration of the Lottery. The Deputy Director for Security shall report any alleged violation of any law related to the operations of the California State Lottery to the appropriate law enforcement agency and the Attorney General for further investigation and action. The Deputy Director for Security and lottery security officers shall have access to criminal history information pursuant to Sections 11105 and 11105.01 of the Penal Code.

SEC. 11. Section 8880.43 of the Government Code is amended to read:

8880.43. Independent Audit of Lottery Finances

The Director shall engage an independent firm of certified public accountants to conduct an annual audit of all accounts and transactions of the Lottery. The audit report shall be presented to the Commission, the Governor, the Controller, the Treasurer, the Attorney General, and the Legislature.

SEC. 12. Section 8880.46 of the Government Code is amended to read:

8880.46. Independent Audit of Lottery Security

After the first nine months of sales to the public, the Commission shall engage an independent firm experienced in security procedures, including, but not limited to, computer security and systems security, to conduct a comprehensive study and evaluation of all aspects of security in the operation of the Lottery. This study shall include, but not be limited to, personnel security, Lottery Game Retailer security, Lottery Contractors security, security of manufacturing operations of Lottery Contractors, security against ticket counterfeiting and alterations and other means of fraudently winning, security of drawings, computer security, data communications security, data base security, systems security, lottery premises and warehouse security, security in distribution, security involving validation and payment procedures, security involving unclaimed prizes, security aspects applicable to each particular Lottery Game, security against locating winners in Lottery Games having preprinted winners, and any other aspects of security applicable to the Lottery and its operations. The portion of the report containing the overall evaluation of the Lottery in terms of each aspect of security shall be presented to the Commission, the Governor, the Controller, the Treasurer, the Attorney General, and the Legislature. The portion of the report containing specific recommendations shall be exempt from public disclosure and shall be presented only to the Commission, the Attorney General, the Controller and the Governor. Upon request, all materials and data used in the production of the report shall be made available to the Commission, the Attorney General, the Controller, and the Governor. Similar audits of security shall be conducted biannually

thereafter.

SEC. 13. Section 8880.48 of the Government Code is amended to read:

8880.48. Selection of Lottery Game Retailers

(a) The Director shall, pursuant to this chapter and the rules and regulations of the Commission, select as Lottery Game Retailers such persons and organizations as the Director deems shall best serve the public convenience and promote the sale of tickets or shares. No person under the age of 18 years shall be a Lottery Game Retailer. In the selection of Lottery Game Retailers, the Director shall consider factors such as financial responsibility, integrity, reputation, accessibility of the place of business or activity to the public, security of the premises, the sufficiency of existing Lottery Game Retailers to serve the public convenience, and the projected volume of the sales for the Lottery Game involved.

(b) In order to allow an evaluation of the competence, integrity, and character of potential Lottery Game Retailers, the Commission may require information it deems necessary of any person, corporation, trust, association, partnership, or joint venture applying for authority to act as a Lottery Game Retailer.

No person shall be a Lottery Game Retailer who is engaged exclusively in the business of selling lottery tickets or shares. A person lawfully engaged in nongovernmental business on state property, an owner or lessee of an establishment which sells alcoholic beverages and civic and fraternal organizations may be selected as a Lottery Game Retailer. The Director may contract with Lottery Game Retailers on a seasonal or temporary basis.

(c) The Commission shall establish a formal written appeal process concerning the denial of an application for, or revocation of, a grant of authority to be a Lottery Game Retailer.

SEC. 14. Section 8880.50 of the Government Code is amended to read:

8880.50. Termination of Lottery Game Retailer

(a) The Commission shall promulgate rules and regulations which shall prescribe the procedure by which a contract with a Lottery Game Retailer may be terminated and the reasons for the termination, including, but not limited to, instances where a Lottery Game Retailer knowingly sells a ticket or share to any person under the age of 18 years.

(b) Any Lottery Game Retailer who employs or uses the services of any person under the age of 18 years for the sale of lottery tickets or shares shall be subject to suspension or revocation of his or her license. However, a person under the age of 18 years may be employed or used to sell lottery tickets or shares, if that person is under the continuous supervision of a person 21 years of age or older.

SEC. 15. Section 8880.52 of the Government Code is amended to read:

8880.52. Sales to Minors

(a) No tickets or shares in Lottery Games shall be sold to persons

under the age of 18 years. Any person who knowingly sells a ticket or share in a Lottery Game to a person under the age of 18 years is guilty of a misdemeanor. Any person under the age of 18 years who buys a ticket or share in a Lottery is guilty of a misdemeanor. In the case of lottery tickets or shares sold by Lottery Game Retailers or their employees, these persons shall establish safeguards to assure that the sales are not made to persons under the age of 18 years. In the case of the dispensing of tickets or shares by vending machines or other devices, the Commission shall establish safeguards to help assure that the vending machines or devices are not operated by persons under the age of 18 years.

(b) All tickets or shares in Lottery Games shall include, and any devices which dispense tickets or shares in Lottery Games shall have posted in a conspicuous place thereupon, a notice which declares that state law prohibits the selling of a lottery ticket or share to, and the payment of any prize to, a person under the age of 18 years.

SEC. 16. Section 8880.54 of the Government Code is amended to read:

8880.54. Bonding

The Director may require a bond from any Lottery Game Retailer in an amount specified by regulation or may purchase blanket bonds covering the activities of selected Lottery Game Retailers. These bonds shall be payable upon order of the Commission.

SEC. 17. Section 8880.56 of the Government Code is amended to read:

8880.56. Procurement

(a) Notwithstanding other provisions of law, the Director may purchase or lease such goods and services as are necessary for effectuating the purposes of this chapter. The Director may not contract with any private party for the operation and administration of the California State Lottery created by this chapter. However, this section does not preclude procurements which integrate functions such as game design, supply, advertising, and public relations. In all procurement decisions, the Commission and Director shall take into account the particularly sensitive nature of the California State Lottery and shall act to promote and ensure integrity, security, honesty, and fairness in the operation and administration of the Lottery and the objective of raising net revenues for the benefit of the public purpose described in this chapter.

(b) Notwithstanding any other provision of this chapter, the following shall apply to procurement for or by the Commission:

(1) With respect to the procurement for the printing of lottery tickets or the acquisition of any electronic computer, including any software used in conjunction therewith, the Commission shall adopt and publish competitive bidding procedures for the award of any procurement or contract in order to assure the fullest competition in the procurement. These procedures shall include a bid protest procedure.

(2) The provisions of Article 1 (commencing with Section 11250)

of Chapter 3 of Part 1 of Division 3 apply to the Commission.

(3) The Commission is subject to the Small Business Procurement and Contract Act, as provided in Chapter 6.5 (commencing with Section 14835) of Part 5.5 of Division 3.

(4) In advertising or awarding any contract for the procurement of goods and services exceeding five hundred thousand dollars ($500,000), the Commission and the Director shall require all bidders or contractors, or both, to include specific plans or arrangements to utilize subcontracts with socially or economically disadvantaged small business concerns. The plans shall specifically identify the feasibility of utilizing the subcontract services, delineate the nature and extent of the services to be utilized, and those concerns or individuals identified for subcontracting if known.

It is the intention of the Legislature in enacting this section to establish as an objective of the utmost importance the advancement of business opportunities for these small business concerns in the private business activities created by the California State Lottery. In that regard, the Commission and the Director shall have an affirmative duty to achieve the most feasible and practicable level of participation by socially or economically disadvantaged small business concerns in its procurement programs.

By July 1, 1986, the Commission shall adopt proposal evaluation procedures, criteria, and contract terms which are consistent with the advancement of business opportunities for small business concerns in the private business activities created by the California State Lottery and which will achieve the most feasible and practicable level of participation by socially, economically and disadvantaged small business concerns in its procurement programs. The proposal evaluation procedures, criteria, and contract terms adopted shall be reported in writing to both houses of the Legislature on or before July 1, 1986.

For the purposes of this section, socially and economically disadvantaged persons include women, Black Americans, Hispanic Americans, Native Americans (including American Indians, Eskimos, Aleuts, and Native Hawaiians), Asian-Pacific Americans (including persons whose origins are from Japan, China, the Philippines, Vietnam, Korea, Samoa, Guam, the United States Trust Territories of the Pacific, Northern Marianas, Laos, Cambodia, and Taiwan), and other minorities or any other natural persons found by the Commission to be disadvantaged.

(5) The Commission shall report to the Legislature by July 1, 1987, on the level of participation of small businesses, economically and socially disadvantaged businesses, and California businesses in all contracts awarded by the Commission.

(6) The Lottery shall fully comply with the requirements of paragraphs (2), (3) and (4) except that any function or role which is otherwise the responsibility of the Department of Finance or the Department of General Services shall instead, for purposes of this subdivision, be the sole responsibility of the Lottery, which shall have

the sole authority to perform that function or role.

SEC. 18. Section 8880.57 of the Government Code is repealed.

SEC. 19. Section 8880.57 is added to the Government Code, to read:

8880.57. Disclosures

In order to allow an evaluation of the competence, integrity, and character of potential Lottery Contractors for the California State Lottery, any person, corporation, trust, association, partnership, or joint venture which submits a bid, proposal, or offer as part of procurement for a contract for any goods or services for the California State Lottery, other than materials, supplies, services, and equipment which are common to the ordinary operations of state agencies, shall comply with each of the following:

(a) At the time of the submission of the bid, proposal, or offer to the Lottery, disclose the bidder's name and address and, as applicable, the name and address of the following:

(1) If the bidder is a corporation, the officers, directors, and each owner, directly or indirectly, of any equity security or other ownership interest in the corporation. However, in the case of owners of publicly held equity securities of a publicly traded corporation, only the names and addresses of those known to the corporation to beneficially own 5 percent or more of the publicly held securities need be disclosed.

(2) If the bidder is a trust, the trustee and all persons entitled to receive income or benefit from the trust.

(3) If the bidder is an association, the members, officers, and directors.

(4) If the bidder is a subsidiary, the officers, directors, and stockholders of the parent company thereof. However, in the case of owners of publicly held equity securities of a publicly traded corporation, only the names and addresses of those known to the corporation to beneficially own 5 percent or more of the publicly held securities need be disclosed.

(5) If the bidder is a partnership or joint venture, all of the general partners, limited partners, or joint venturers.

(6) If the parent company, general partner, limited partner, or joint venturer of any bidder is itself a corporation, trust, association, subsidiary, partnership, or joint venture, then the disclosure of such information as necessary to determine ultimate ownership. However, in the case of owners of publicly held equity securities of a publicly traded corporation, only the names and addresses of those known to the corporation to beneficially own 5 percent or more of the publicly held securities need be disclosed.

(7) If the bidder proposes to subcontract any substantial portion of the work to be performed to a subcontractor, then all of the information required in this section shall be disclosed for the subcontractor as if it were itself a bidder.

(b) After receipt of a bid, proposal, or offer, but prior to the award of a contract, the Commission may require a potential Lottery

Contractor to provide any or all of the following information:

(1) A disclosure of all the states and jurisdictions in which the bidder does business, and the nature of that business for each state or jurisdiction.

(2) A disclosure of all the states and jurisdictions in which the bidder has contracts to supply gaming goods or services, including, but not limited to, lottery goods and services, and the nature of the goods or services involved for each state or jurisdiction.

(3) A disclosure of all the states and jurisdictions in which the bidder has applied for, has sought renewal of, has received, has been denied, has pending, or has had revoked a gaming license of any kind, and the disposition in each state or jurisdiction. If any gaming license has not been renewed or any gaming license application has been either denied or has remained pending for more than six months, all of the facts and circumstances underlying this failure to receive a gaming license shall be disclosed.

(4) A disclosure of the details of any conviction or judgment of a state or federal court against the bidder of any gambling-related offense, or criminal offense other than traffic violations.

(5) A disclosure of the details of any bankruptcy, insolvency, or reorganization, or any judgment or pending litigation involving fraud or deceit against the bidder.

(6) A disclosure for each bidder who is a natural person of his or her employment, residence, educational, and military history since the age of 18 years.

(7) A disclosure consolidating all reportable information on all reportable contributions by the bidder to any local, state, or federal political candidate or political committee in this state for the past five years that is reportable under any existing state or federal law.

(8) A disclosure of the identity of any entity with which the bidder has a joint venture or other contractual arrangement to supply any state or jurisdiction with gaming goods or services, including, but not limited to, lottery goods or services; including a disclosure with regard to the entity of all of the information requested under paragraphs (1) to (8), inclusive.

(9) In the instance of a procurement for the printing of lottery tickets, for goods or services involving the receiving or recording of number selections, or for goods or services involving the determination of winners, an additional disclosure consisting of the individual federal and state income tax returns for the past three years and a current individual financial statement for each bidder who is a natural person. The disclosures provided in this paragraph shall be considered confidential and shall be transmitted directly to the Deputy Director for Security and the Attorney General for their review.

(10) Such additional disclosures and information as may be appropriate for the procurement involved as determined by the Commission.

(c) With respect to the persons or entities described in

paragraphs (1) to (7), inclusive, of subdivision (a), the Commission may request the disclosure of any information required in subdivision (b), which shall be relevant to the award of any contract.

(d) No contract with any bidder who has not complied with the disclosure requirements described in this section shall be entered into or be enforceable. Any contract with any Lottery Contractor who does not comply with these requirements for maintaining the currency of the disclosures during the term of the contract as may be specified in the contract may be terminated by the Commission. In addition, the Commission may deny or cancel a contract with a Lottery Contractor or any of the persons or entities included in paragraphs (1) to (7), inclusive, of subdivision (a) if any of the following apply:

(1) False statements have been made in any information which is required under this section.

(2) Any of the persons or entities have been convicted of a crime punishable as a felony.

(3) Any of the persons or entities have been convicted of an offense involving dishonesty or any gambling-related offense.

(e) This section shall be construed broadly and liberally to achieve the end of full disclosure of all information necessary to allow for a full and complete evaluation of the competence, integrity, and character of potential suppliers of the California State Lottery Commission.

SEC. 20. Section 8880.59 of the Government Code is amended to read:

8880.59. Performance Bond

Each Lottery Contractor shall post a performance bond with the Commission, using a surety acceptable to the Commission, in an amount equal to the full amount estimated to be paid annually to the supplier under the contract. The Commission may require any Lottery Game Retailer to provide a fidelity bond which shall be payable upon order of the Commission.

SEC. 21. Section 8880.60 of the Government Code is amended to read:

8880.60. Contracts

Subject to the approval of the Commission, the Director may directly solicit proposals or enter into contracts for the purchase or lease of goods or services for effectuating the purpose of this chapter. In awarding contracts in response to solicitations for proposals conducted by the California State Lottery, the Director shall award the contracts to the responsible supplier submitting the lowest and best proposal pursuant to the procedures adopted by the Commission as prescribed in subdivision (b) of Section 8880.56, which maximizes the benefits to the state in relation to cost in the areas of security, competence, experience, timely performance, and maximization of net revenues to benefit the public purpose described in this chapter. All contracts entered into by the Director shall be subject to the approval of the Commission.

SEC. 22. Section 8880.61 of the Government Code is amended to read:

8880.61. State Lottery Fund

(a) A special fund to be known as the "State Lottery Fund" is created within the State Treasury which is continuously appropriated for carrying out the purposes of this chapter. The fund shall receive all proceeds from the sales of lottery tickets or shares, the temporary line of credit for initial startup costs, and all other moneys credited to the Lottery from any other source. The Treasurer shall designate a depository to receive lottery proceeds for transmission to the State Treasury and for deposit in the State Lottery Fund.

(b) Except as provided by this chapter, moneys in the General Fund or any other state fund shall not be transferred to the State Lottery Fund or otherwise used to support the California State Lottery or the Lottery Commission or to pay the debts, obligations, or encumbrances of the State Lottery Fund or the Commission.

SEC. 23. Section 8880.65 of the Government Code is amended to read:

8880.65. Transfer of Net Revenues

The funds remaining in the State Lottery Fund after accrual of all revenues to the State Lottery Fund, and after accrual of all obligations of the Lottery for prizes, expenses, and the repayment of any funds advanced from the temporary line of credit for initial startup costs and interest thereon shall be deemed to be the net revenues of the Lottery. The net revenues of the Lottery shall be transferred from the State Lottery Fund not less than quarterly to the California State Lottery Education Fund.

SEC. 24. Section 8880.70 of the Government Code is amended to read:

8880.70. Lawful Activity

Any other state or local law providing any penalty, disability, restriction, or prohibition for the possession, manufacture, transportation, distribution, advertising, or sale of any lottery tickets or shares shall not apply to the tickets or shares of the California State Lottery.

A business or entity may manufacture, assemble, repair, maintain, print, or otherwise produce and transport various devices, paraphernalia, equipment, tickets, or other products which are used in a state lottery.

SEC. 25. Section 470 of the Penal Code is amended to read:

470. Every person who, with intent to defraud, signs the name of another person, or a fictitious person, knowing that he or she has no authority so to do, to, or falsely makes, alters, forges, or counterfeits, any charter, letters patent, deed, lease, indenture, writing obligatory, will, testament, codicil, bond, covenant, bank bill or note, post note, check, draft, bill of exchange, contract, promissory note, due bill for the payment of money or property, receipt for money or property, passage ticket, lottery ticket or share purporting to be issued under

the California State Lottery Act of 1984, trading stamp, power of attorney, or any certificate of any share, right, or interest in the stock of any corporation or association, or any controller's warrant for the payment of money at the treasury, county order or warrant, or request for the payment of money, or the delivery of goods or chattels of any kind, or for the delivery of any instrument of writing, or acquittance, release, or receipt for money or goods, or any acquittance, release, or discharge of any debt, account, suit, action, demand, or other thing, real or personal, or any transfer or assurance of money, certificate of shares of stock, goods, chattels, or other property whatever, or any letter of attorney, or other power to receive money, or to receive or transfer certificates of shares of stock or annuities, or to let, lease, dispose of, alien, or convey any goods, chattels, lands, or tenements, or other estate, real or personal, or any acceptance or indorsement of any bill of exchange, promissory note, draft, order, or any assignment of any bond, writing obligatory, promissory note, or other contract for money or other property; or counterfeits or forges the seal or handwriting of another; or utters, publishes, passes, or attempts to pass, as true and genuine, any of the above-named false, altered, forged, or counterfeited matters, as above specified and described, knowing the same to be false, altered, forged, or counterfeited, with intent to prejudice, damage, or defraud any person; or who, with intent to defraud, alters, corrupts, or falsifies any record of any will, codicil, conveyance, or other instrument, the record of which is by law evidence, or any record of any judgment of a court or the return of any officer to any process of any court, is guilty of forgery.

SEC. 26. Section 475 of the Penal Code is amended to read:

475. Every person who has in his or her possession, or receives from another person, any forged promissory note or bank bill, or bills, or any counterfeited trading stamp, or stamps, or lottery ticket or share purporting to be issued under the California State Lottery Act of 1984, or tickets or shares, for the payment of money or property, with the intention to pass the same, or to permit, cause, or procure the same to be uttered or passed, with the intention to defraud any person, knowing the same to be forged or counterfeited, or has or keeps in his or her possession any blank or unfinished note or bank bill made in the form or similitude of any promissory note or bill for payment of money or property, made to be issued by any incorporated bank or banking company, or any blank or unfinished check, money order, or traveler's check, made in the form or similitude of any check, money order, or traveler's check, whether the parties thereto are real or fictitious, with intention to fill up and complete the blank and unfinished note or bill, check, money order, or traveler's check, or to permit, or cause, or procure the same to be filled up and completed in order to utter or pass the same, or to permit, or cause, or procure the same to be uttered or passed, to defraud any person, is punishable by imprisonment in the state prison, or by imprisonment in the county jail for not more than one

year.

SEC. 27. Section 11105.01 is added to the Penal Code, to read:

11105.01. In addition to furnishing state summary criminal history information to the persons and entities set forth in Section 11105 and subject to the requirements and conditions set forth in that section, the Attorney General shall furnish state summary criminal history information to the Director, the Deputy Director for Security, and lottery security officers of the California State Lottery.

SEC. 28. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

SEC. 29. The changes in law made by Sections 17, 19, and 21 of this act, which amend Sections 8880.56, 8880.57, and 8880.60 of the Government Code, respectively, shall not apply to any contract entered into or solicited by the California State Lottery prior to the effective date of this act.

SEC. 30. It is the intent of the Legislature that the amendments to Section 470 of the Penal Code made by Section 25 of this act do not constitute a change in, but are declaratory of, the existing law.

SEC. 31. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to further the purpose of the California State Lottery Act of 1984 and the will of the people it is necessary that this act take effect immediately.

CHAPTER 56

An act to amend Section 22200 of the Education Code, relating to the State Teachers' Retirement System, and making an appropriation therefor.

[Approved by Governor April 17, 1986 Filed with Secretary of State April 18, 1986.]

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

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

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

(a) The Superintendent of Public Instruction.

(b) The Controller.

(c) The Treasurer.

(d) The Director of Finance.

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

(f) Three members of the State Teachers' Retirement System, as follows:

(1) Two members who, at time of appointment, are classroom teachers in grades kindergarten through 12.

(2) One member, who at time of appointment, is a community college instructor with expertise in the areas of business or economics or both business and economics and who shall be appointed by the Governor for a term of four years from a list submitted by the Chancellor of the California Community Colleges.

(g) A retirant of the system.

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

(i) One officer of a bank or a savings and loan institution who has had at least five years of broad professional investment experience handling various asset classes such as stocks, bonds, and mortgage investments and who shall be appointed by the Governor for a term of four years, subject to confirmation by the Senate.

(j) One member representing the public, appointed by the Governor for a term of four years, subject to confirmation by the Senate.

The members of the board provided by subdivisions (e) and (g) and paragraph (1) of subdivision (f) shall be appointed by the Governor for four-year terms from a list submitted by the Superintendent of Public Instruction.

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

SEC. 2. There is hereby appropriated from the Teachers' Retirement Fund the sum of four thousand dollars ($4,000) to the Teachers' Retirement Board to pay the costs of implementing this act during fiscal year 1985–86.

CHAPTER 57

An act to amend Section 12814.5 of the Vehicle Code, relating to drivers' licenses.

[Approved by Governor April 21, 1986 Filed with Secretary of State April 22, 1986]

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

SECTION 1. Section 12814.5 of the Vehicle Code is amended to read:

12814.5. (a) At the discretion of the director, drivers' licenses expiring on or after January 1, 1983, may, subject to subdivision (b), be renewed by mail for a four-year period for licensees not holding a probationary license, whose records, for the four years immediately preceding the determination of eligibility for the renewal, show no convictions of violating traffic laws, no involvement in a traffic accident, and no notification of a violation of subdivision (a) of Section 40509.

(b) The director may establish a demonstration program to evaluate the traffic safety and other effects of renewing driver's licenses by mail. If a demonstration program is established, the director may, under that program, renew by mail driver's licenses expiring on or after January 1, 1983, for licensees whose records, for the two years immediately preceding the determination of eligibility for the renewal, show no convictions of violating traffic laws, no involvement in a traffic accident, and no notification of a violation of subdivision (a) of Section 40509, and additionally whose records, for the four years immediately preceding that determination, do not show a violation which has a violation point count of two determined in accordance with Section 12810 or a fatal accident notation. The department shall terminate the demonstration program when its evaluation is completed or may terminate the program at any time the department determines that the program has an adverse impact on traffic safety.

(c) For purposes of subdivision (a) or (b), a driver's record that shows involvement in not more than one traffic accident within the two-year period preceding driver's license renewal shall not be considered to be involvement in a traffic accident if (1) the driver met the requirements of Chapter 1 (commencing with Section 16000) of Division 7 with respect to the accident and (2) the driver was not cited for any violation of this code in connection with the accident.

(d) No renewal by mail shall be granted to any person who is 70 years of age or older.

(e) The department shall charge a fee of ten dollars ($10) for each license renewal granted pursuant to subdivision (a) or (b).

(f) The department shall monitor and conduct a continuing study of the effects of the license renewal by mail under subdivisions (a) and (b) and submit an interim report to the Legislature not later than January 1, 1986, and a final report to the Legislature not later than March 1, 1989, on its findings. The study shall include, but not be limited to, safety issues. The final report shall specifically include information regarding the impact on traffic safety of persons who receive a second extension under subdivision (b), which information shall cover a period not less than 24 months of experience following the second consecutive extension.

(g) The department shall notify each licensee granted a renewal by mail pursuant to this section of major changes to the Vehicle Code affecting traffic laws occurring during the prior four-year period.

(h) The department shall not renew a driver's license by mail if the license has been previously renewed by mail two consecutive times for four-year periods. .

CHAPTER 58

An act to amend Section 21204 of the Vehicle Code, relating to bicycles.

[Approved by Governor April 22, 1986. Filed with Secretary of State April 23, 1986.]

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

SECTION 1. Section 21204 of the Vehicle Code is amended to read:

21204. (a) No person operating a bicycle upon a highway shall ride other than upon or astride a permanent and regular seat attached thereto.

(b) No operator shall allow a person riding as a passenger, and no person shall ride as a passenger, on a bicycle upon a highway other than upon or astride a separate seat attached thereto. If the passenger is four years of age or younger, or weighs 40 pounds or less, the seat shall have adequate provision for retaining the passenger in place and for protecting the passenger from the moving parts of the bicycle.

(c) No person operating a bicycle upon a highway shall allow any person who is four years of age or younger, or weighs 40 pounds or less, to ride as a passenger on a bicycle unless that passenger is wearing a helmet meeting the standards of the American National Standards Institute (ANSI Z 90.4 bicycle helmet standards) or of the Snell Memorial Foundation's 1984 Standard for Protective Headgear for Use in Bicycling.

(d) For purposes of this section, wearing a helmet means having a helmet of good fit fastened securely upon the head with the helmet straps.

(e) The first violation of subdivision (c) by any person shall be dismissed by a court if the person charged produces proof that a helmet meeting the standards prescribed in subdivision (c) has been purchased for use by the passenger four years of age or younger, or weighing 40 pounds or less.

(f) Notwithstanding any other provision of law, any violation of subdivision (c) is an infraction punishable by a fine, including all penalty assessments and court costs imposed on the convicted person, of not more than twenty dollars ($20).

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district

will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

CHAPTER 59

An act to amend and repeal Section 1238 of the Penal Code, relating to appeals.

[Approved by Governor April 22, 1986. Filed with Secretary of State April 23, 1986]

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

SECTION 1. Section 1238 of the Penal Code is amended to read:

1238. (a) An appeal may be taken by the people from any of the following:

(1) An order setting aside the indictment, information, or complaint.

(2) A judgment for the defendant on a demurrer to the indictment, accusation, or information.

(3) An order granting a new trial.

(4) An order arresting judgment.

(5) An order made after judgment, affecting the substantial rights of the people.

(6) An order modifying the verdict or finding by reducing the degree of the offense or the punishment imposed or modifying the offense to a lesser offense.

(7) An order dismissing a case prior to trial made upon motion of the court pursuant to Section 1385 whenever such order is based upon an order granting defendant's motion to return or suppress property or evidence made at a special hearing as provided in this code.

(8) An order or judgment dismissing or otherwise terminating the action before the defendant has been placed in jeopardy or where the defendant has waived jeopardy.

(9) An order denying the motion of the people to reinstate the complaint or a portion thereof pursuant to Section 871.5.

(10) The imposition of an unlawful sentence, whether or not the court suspends the execution of the sentence, except that portion of a sentence imposing a prison term which is based upon a court's choice that a term of imprisonment (A) be the upper, middle, or lower term, unless the term selected is not set forth in an applicable statute, or (B) be consecutive or concurrent to another term of imprisonment, unless an applicable statute requires that the term be consecutive. As used in this paragraph, "unlawful sentence" means the imposition of a sentence not authorized by law or the imposition of a sentence based upon an unlawful order of the court which strikes

or otherwise modifies the effect of an enhancement or prior conviction.

(b) If, pursuant to paragraph (8) of subdivision (a), the people prosecute an appeal to decision, or any review of such decision, it shall be binding upon them and they shall be prohibited from refiling the case which was appealed.

(c) When an appeal is taken pursuant to paragraph (7) of subdivision (a), the court may review the order granting defendant's motion to return or suppress property or evidence made at a special hearing as provided in this code.

(d) Nothing contained in this section shall be construed to authorize an appeal from an order granting probation. Instead, the people may seek appellate review of any grant of probation, whether or not the court imposes sentence, by means of a petition for a writ of mandate or prohibition which is filed within 60 days after probation is granted. The review of any grant of probation shall include review of any order underlying the grant of probation.

(e) This section shall remain in effect only until January 1, 1988, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1988, deletes or extends that date. If that date is not deleted or extended, then, on and after January 1, 1988, pursuant to Section 9611 of the Government Code, Section 1238 of the Penal Code, as amended by Section 5 of Chapter 938 the Statutes of 1980, shall have the same force and effect as if this temporary provision had not been enacted.

CHAPTER 60

An act to amend Section 42290 of, and to add Section 42301.1 to, the Education Code, relating to schools.

[Approved by Governor April 22, 1986 Filed with Secretary of State April 23, 1986]

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

SECTION 1. Section 42290 of the Education Code is amended to read:

42290. Any school district or county office of education with an average daily attendance of less than 2,501 in any fiscal year may, in that fiscal year, apply to the State Department of Education for an apportionment for transportation equipment, as specified in Section 42291. The State Department of Education shall adopt regulations regarding district applications pursuant to this section.

SEC. 2. Section 42301.1 is added to the Education Code, to read:

42301.1. In allocating any funds for schoolbus replacement or reconditioning, the State Department of Education shall allocate funds for vehicles used in special education in not less than the

proportion as the percentage of vehicles used compares to total schoolbuses in the state. The State Department of Education shall adopt regulations to implement this section in an equitable manner.

School districts or county offices of education providing transportation services through a cooperative, consortium, or joint powers agreement, shall be eligible to participate by application from the member district.

The Division of State Special Schools of the State Department of Education shall have the same status as a school district for the purposes of this section.

SEC. 3. Section 1 of this act shall only become operative if AB 1293 is not chaptered, or, if AB 1293 is chaptered, it does not amend Section 42290 of the Education Code.

CHAPTER 61

An act to amend Section 8660 of the Elections Code, relating to democratic state central committee.

[Approved by Governor April 22, 1986 Filed with Secretary of State April 23, 1986]

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

SECTION 1. Section 8660 of the Elections Code is amended to read:

8660. The state central committee shall consist of:

(a) One member for each of the following elective officials:

(1) Governor.

(2) Lieutenant Governor.

(3) Treasurer.

(4) Controller.

(5) Attorney General.

(6) Secretary of State.

(7) All members of the State Board of Equalization.

(8) All Senators and Representatives of Congress from California.

(9) All Members of the State Legislature.

(b) Members elected by county central committees pursuant to this part.

(c) Members appointed pursuant to this part.

(d) The national committeemen and national committeewomen of the party.

(e) Any person elected to fill a vacancy in the State Legislature in a special election.

(f) Such immediate past party officers as may be provided by party bylaws.

(g) Members elected by Assembly district caucuses pursuant to this part.

(h) The President of the California Democratic Council.

(i) The president, vice president, northern section president, and the southern section president of the Federation of Young Democrats, and any officer of the National Young Democrats who resides in California.

(j) Former elected, nonjudicial statewide officeholders as described in Section 8660.3.

CHAPTER 62

An act to amend Section 1062.10 of the Code of Civil Procedure, relating to property, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 23, 1986 Filed with Secretary of State April 23, 1986]

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

SECTION 1. Section 1062.10 of the Code of Civil Procedure is amended to read:

1062.10. No person or legal entity may maintain an action in any court in this state to enforce the terms of a real property sales contract as defined in Section 2985 of the Civil Code or a conditional sale contract on a mobilehome subject to local property taxation and subject to Division 13 (commencing with Section 18000) of Part 2 of the Health and Safety Code, providing for a change in ownership of real property or of a mobilehome subject to local property taxation until the agreement is duly recorded by the county recorder or the change-in-ownership statement required by Section 480 of the Revenue and Taxation Code is filed as provided in that section.

This section shall apply to the enforcement of those agreements which are alleged to have transferred ownership of real property or of a mobilehome subject to property taxation which are entered into after January 1, 1986.

SEC. 2. This act is declaratory of existing law.

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

In order to clarify the law relating to the enforceability of contracts conveying real property it is necessary for this act to take effect immediately.

CHAPTER 63

An act to amend Section 11058 of the Health and Safety Code, relating to controlled substances, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 23, 1986. Filed with Secretary of State April 23, 1986]

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

SECTION 1. Section 11058 of the Health and Safety Code is amended to read:

11058. (a) The controlled substances listed in this section are included in Schedule V.

(b) Schedule V shall consist of the drugs and other substances, by whatever official name, common or usual name, chemical name, or brand name designated, listed in this section.

(c) Narcotic drugs containing nonnarcotic active medicinal ingredients. Any compound, mixture, or preparation containing any of the following narcotic drugs, or their salts calculated as the free anhydrous base or alkaloid, in limited quantities as set forth below, which shall include one or more nonnarcotic active medicinal ingredients in sufficient proportion to confer upon the compound, mixture, or preparation valuable medicinal qualities other than those possessed by narcotic drugs alone:

(1) Not more than 200 milligrams of codeine per 100 milliliters or per 100 grams.

(2) Not more than 100 milligrams of dihydrocodeine per 100 milliliters or per 100 grams.

(3) Not more than 100 milligrams of ethylmorphine per 100 milliliters or per 100 grams.

(4) Not more than 2.5 milligrams of diphenoxylate and not less than 25 micrograms of atropine sulfate per dosage unit.

(5) Not more than 100 milligrams of opium per 100 milliliters or per 100 grams.

(6) Not more than 0.5 milligram of difenoxin and not less than 25 micrograms of atropine sulfate per dosage unit.

(d) Buprenorphine.

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

In order to alleviate confusion among pharmacists, physicians, pharmaceutical manufacturers, and patients, and to conform state law with federal rules and regulations, it is necessary that this act take effect immediately.

CHAPTER 64

An act to amend and repeal Section 1026.6 of the Penal Code, relating to criminal defendants.

[Approved by Governor April 23, 1986. Filed with Secretary of State April 24, 1986]

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

SECTION 1. Section 1026.6 of the Penal Code is amended to read:

1026.6. Whenever any person who has been committed to a state hospital pursuant to Section 1026 is released for any reason, including placement on outpatient status, the director of the hospital shall notify the community program director of the county, the county mental health director, and the chief law enforcement officer of the jurisdiction, in which the person will reside upon release, if that information is available.

This section shall remain in effect only until January 1, 1989, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1989, deletes or extends that date. If that date is not deleted or extended, then, on and after January 1, 1989, pursuant to Section 9611 of the Government Code, Section 1026.6 of the Penal Code, as amended by Section 4 of Chapter 1232 the Statutes of 1985, shall have the same force and effect as if this temporary provision had not been enacted.

CHAPTER 65

An act to add Section 3209 to the Fish and Game Code, relating to domesticated game birds.

[Approved by Governor April 23, 1986. Filed with Secretary of State April 24, 1986.]

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

SECTION 1. Section 3209 is added to the Fish and Game Code, to read:

3209. (a) In lieu of the tag required by Section 3206, poultry processing plants licensed pursuant to Chapter 4 (commencing with Section 18650) or Chapter 4.1 (commencing with Section 18940) of Part 3 of Division 9 of the Food and Agricultural Code, which process domesticated game birds received from persons licensed pursuant to this article, may package each individual carcass in a nonreusable container clearly labeled on the outside with the species of bird and the wording "Product of a Licensed California Domesticated Game

Breeder."

(b) Each processor receiving domesticated game birds shall keep a complete record of all birds received showing all of the following:

(1) The date received.

(2) The number and species of birds in each lot or shipment.

(3) The complete name, address, and domesticated game breeders' license number of the person from whom the birds were received.

(4) The disposition of processed birds, the date of sale or shipment, the quantity and species sold or shipped, and the person to whom the birds were sold or shipped.

(c) The records shall be retained by the processor for one year following date of processing. These records shall be subject to inspection upon demand by any officer of the department during hours the processing plant is in operation or open for business.

(d) This section does not affect the requirements of Section 3206 governing tagging domesticated game birds for transportation by those other than licensed poultry processors.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

CHAPTER 66

An act to amend Section 19286.7 of the Revenue and Taxation Code, and to amend Section 11025 of the Welfare and Institutions Code, relating to public social services.

[Approved by Governor April 23, 1986 Filed with Secretary of State April 24, 1986]

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

SECTION 1. Section 19286.7 of the Revenue and Taxation Code is amended to read:

19286.7. Notwithstanding any other provision of law, the State Department of Social Services shall annually inform the Franchise Tax Board of the names and social security numbers of all applicants for or recipients of public social services programs.

The Franchise Tax Board, upon receipt of such information, shall inform the State Department of Social Services of any such applicant or recipient who received interest or dividends within the prior calendar year, as reflected on magnetic tape information returns supplied to the Franchise Tax Board by payers, or on the magnetic tape prepared by the Franchise Tax Board which reflects paper

information returns supplied to the Franchise Tax Board by payers. In addition, the Franchise Tax Board shall provide, from those sources, the State Department of Social Services with the payee's name, social security number, and address; the payer's name or federal employer identification number, including branch code numbers, if applicable, and address; the dollar amount of interest or dividends; and any identifying account numbers.

The Franchise Tax Board shall return all information received from the State Department of Social Services after completing the exchange of information with the State Department of Social Services.

SEC. 2. Section 11025 of the Welfare and Institutions Code is amended to read:

11025. The State Department of Social Services shall utilize the records of the Franchise Tax Board to match interest and dividends against reported income of applicants for and recipients of aid or public social services under this division. The matching information shall then be forwarded to the appropriate county welfare department for use in determining the eligibility of, and proper grant amount for, applicants for, and recipients of, aid or public social services under this division. Any and all documents and records which result from the matching of records with the Franchise Tax Board shall be subject to the confidentiality requirements of Section 10850.

This section shall not be construed to supersede the requirements and protections in the California Right to Financial Privacy Act under Chapter 20 (commencing with Section 7460) of Division 7 of Title 1 of the Government Code in obtaining information in possession of any financial institution.

SEC. 3. Section 2 of this act shall become operative July 1, 1987.

SEC. 4. Until such time as the State Department of Social Services implements the federal regulations requiring the matching of unearned income in the Aid to Families with Dependent Children and Food Stamp programs, the state shall pay 100 percent of the nonfederal share of the costs associated with the asset match initial case review function.

SEC. 5. The State Department of Social Services shall report to the Legislature when the department implements the federal regulations requiring the matching of unearned income in the Aid to Families with Dependent Children and Food Stamp programs, as specified in Section 4 of this act.

CHAPTER 67

An act to amend Section 6461 of the Food and Agricultural Code, relating to plant pests.

[Approved by Governor April 23, 1986 Filed with Secretary of State April 24, 1986.]

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

SECTION 1. Section 6461 of the Food and Agricultural Code is amended to read:

6461. Except as otherwise provided in this article, if any shipment of plants or any other things in violation of this chapter or any quarantine which has been established, is brought into this state and it is found to be infested or infected, or there is reasonable cause to believe that it may be infested or infected, with any pest, the shipment shall be immediately destroyed by, or under the supervision of, the officer who inspects it, at the expense of the owner or bailee of the shipment.

CHAPTER 68

An act to amend Sections 70046.1, 70047.1, 74661, 74665, and 74666 of, and to repeal and add Section 74663 of, the Government Code, relating to courts.

[Approved by Governor April 23, 1986 Filed with Secretary of State April 24, 1986.]

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

SECTION 1. Section 70046.1 of the Government Code is amended to read:

70046.1. In Santa Clara County, the board of supervisors shall fix the salary of regular official reporters, which shall not be less than a biweekly salary of one thousand three hundred forty-four dollars and fifty-six cents ($1,344.56), and the compensation of official reporters pro tempore, which shall be at a rate not less than seventy dollars and forty-eight cents ($70.48) per half day and one hundred forty dollars and ninety-six cents ($140.96) per day.

During the hours that the court is open for the transaction of judicial business, official reporters shall devote full time to the performance of the duties required of them by law and shall not engage in or solicit to engage in any other employment in their professional capacity.

SEC. 1.5. Section 70047.1 of the Government Code is amended to read:

70047.1. (a) In Stanislaus County, the duties of official reporters shall be performed as provided by law. As full compensation for taking notes in criminal cases in the superior court, each reporter shall receive a monthly salary of one thousand nine hundred sixty dollars ($1,960). Beginning January 1, 1986, pro tempore reporters shall receive one hundred five dollars ($105) per day, or any part of a day, for reporting criminal matters; and beginning January 1, 1987, pro tempore reporters shall receive one hundred fifteen dollars ($115) per day, or any part of a day, for reporting criminal matters. The fee for reporting testimony and proceedings in civil contested cases is one hundred ten dollars ($110) a day, or any part of a day.

(b) For purposes of retirement, the compensation of a reporter is deemed to be the total of all per day and transcription fees paid by the county to all of the reporters of the superior court for all phonographic reporting services divided by the number of superior court official reporters, plus the reporter's salary. All other fees of reporters shall be as otherwise provided by law. When it is necessary to appoint a pro tempore reporter, the reporter shall be allowed the fees otherwise provided by law.

(c) The salary range of official court reporters may be adjusted by joint action and approval of the board of supervisors and a majority of the judges of the superior court. Any changes in compensation made pursuant to this subdivision shall be on an interim basis and shall expire January 1 following adjournment of the next regular session of the Legislature, unless ratified at that session.

SEC. 2. Section 74661 of the Government Code is amended to read:

74661. The Santa Clara County Judicial District shall have 26 judges; provided that there shall be any number of additional judges up to 28 at such time as the Santa Clara County Board of Supervisors finds that there are sufficient funds to provide for any or all of the additional judges and adopts a resolution or resolutions to that effect.

SEC. 3. Section 74663 of the Government Code is repealed.

SEC. 4. Section 74663 is added to the Government Code, to read:

74663. In the Santa Clara County Judicial District there shall be one clerk-administrative officer who shall receive a salary of two thousand two hundred sixty-three dollars and fifty-two cents ($2,263.52) biweekly and shall, notwithstanding Section 74666, be appointed by and serve at the pleasure of a majority of the judges of the municipal court. In addition, there shall be two legal aides (unclassified) who shall serve one-year terms. The legal aides shall be appointed by and serve at the pleasure of a majority of the judges. The legal aides shall receive a salary as specified in range 34.4B.

The clerk-administrative officer may appoint all of the following:

(a) One assistant clerk-administrative officer who shall also act as secretary to the judges and who shall receive a salary of one thousand nine hundred seventeen dollars and eighty-four cents ($1,917.84) biweekly.

(b) One administrative assistant to the clerk-administrative

officer who shall receive a salary as specified in range 32.7A.

(c) One court support coordinator who shall receive a salary as specified in range 27.5A.

(d) One senior accountant who shall receive a salary as specified in range 31.9A.

(e) One accountant III who shall receive a salary as specified in range 29.4A.

(f) One secretary II who shall receive a salary as specified in range 41.4B.

(g) One municipal court division manager III who shall receive a salary specified in range 33.5A.

(h) Three municipal court division managers II who shall receive a salary as specified in range 31.8A.

(i) Two municipal court division managers I who shall receive a salary as specified in range 30.5A.

(j) One chief deputy court clerk II who shall receive a salary as specified in range 29.5A.

(k) Six chief deputy court clerks I who shall receive a salary as specified in range 28.5A.

(*l*) Seven supervising deputy court clerks II who shall receive a salary as specified in range 26.5A.

(m) Two supervising deputy court clerks I who shall receive a salary as specified in range 23.5A.

(n) Eight assistant supervising deputy court clerks who shall receive a salary as specified in range 40.5B.

(o) Forty-seven municipal courtroom clerks who shall receive a salary as specified in range 43.5B.

(p) One hundred seventy-five deputy court clerks II who shall receive a salary as specified in range 38.4B or deputy court clerks I who shall receive a salary as specified in range 35.9B.

(q) Six account assistants who shall receive a salary as specified in range 40.1B.

(r) One senior data entry operator who shall receive a salary as specified in range 39.2B.

(s) Ten data entry operators who shall receive a salary as specified in range 37.5B.

(t) One messenger-driver who shall receive a salary as specified in range 34.4B.

In the Santa Clara County Judicial District official reporters appointed pursuant to Section 72194 shall be attachés of the court and in lieu of any other compensation provided by law for their services in reporting testimony and proceedings in the court, shall receive a biweekly salary as specified in range 51.5B which shall be a charge against the general fund of the county. If the board of supervisors increases salaries and adopts a pay plan for official reporters in the superior court pursuant to Section 70046.1, the salary increase or pay plan shall apply equally for all official reporters in municipal courts, but all such changes or adjustments shall be effective only until the second year following the calendar year in

which the adjustment is made. During the hours which the courts are open for transaction of judicial business, official reporters shall devote full time to the performance of the duties required of them by law, and shall not engage in or solicit to engage in any other employment in their professional capacity.

SEC. 5. Section 74665 of the Government Code is amended to read:

74665. In the Santa Clara County Judicial District the judges of such courts, pursuant to Section 72194, may appoint as many additional reporters as the business of the courts may require, who shall be known as official reporters pro tempore, and who shall serve without salary but shall receive the fees provided by Sections 69947 to 69953, inclusive, except that in lieu of the per diem fees provided in said sections for reporting testimony and proceedings, the official reporters pro tempore shall in all cases receive seventy dollars and forty-eight cents ($70.48) per half day and one hundred forty dollars and ninety-six cents ($140.96) per day, which shall, upon order of the court, be a charge against the general fund of the county. If the board of supervisors increases the per diem fees for official court reporters pro tempore in the superior court pursuant to Section 70046.1, such increase shall apply equally for all official reporters pro tempore in the municipal courts, but all such increases shall be effective only until the second year following the calendar year in which the adjustment is made.

SEC. 6. Section 74666 of the Government Code is amended to read:

74666. Attachés of the Santa Clara County Judicial District shall be subject to the provisions of merit system rules established pursuant to the charter of the County of Santa Clara in the same manner and to the same extent as applicable generally to officers and employees of said county.

Each attaché shall receive a salary computed in accordance with the range established for that position or classification in order to provide compensation comparable to other positions and classifications in the county service as such comparability is determined by the board of supervisors. Whenever reference to a numbered salary range is made in any section of this article, the schedule found in the basic salary plan as adopted by the board of supervisors, which includes the same range numbers and rates of pay utilized for general employees of Santa Clara County, shall apply.

If the board of supervisors increases or decreases salaries, or adopts a revised salary plan, the new schedule of salaries and ranges shall apply equally to and be effective for such attachés of the court in the manner and on the date as is determined by the board of supervisors, but all such changes or adjustments shall be effective only until the second year following the calendar year in which the adjustment is made.

Such attachés shall be entitled to receive, on prescribed terms and conditions, such vacation, sick leave, leave of absence, and other

benefits as are or may be provided by the board of supervisors from time to time. Such attachés may be appointed, promoted, demoted, terminated, or transferred, or their status otherwise adjusted, in the same manner and with the same effect as is or may be provided for by law. Such attachés shall be subject to such employment qualifications as may be adopted for their positions.

This section is expressly subject to the provisions of Section 72002.1 and any other provisions of state law regarding attachés of the court.

SEC. 7. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because this act is in accordance with the request of a local agency or school district which desired legislative authority to carry out the program specified in this act.

CHAPTER 69

An act to amend Section 22238 of the Education Code, and to add Section 31725.6 to the Government Code, relating to public retirement systems, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 23, 1986. Filed with Secretary of State April 24, 1986]

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

SECTION 1. Section 22238 of the Education Code is amended to read:

22238. Notwithstanding any other provision of law, the board may, pursuant to Section 22222 and in conformance with its fiduciary duty as set forth in Section 22225.5, enter into correspondent agreements with private lending institutions in this state to utilize the retirement fund to assist system members and retirants, through financing, to obtain homes in this state.

The terms and conditions of the correspondent agreements shall address all of the following:

(a) That home loans be made available to currently employed members and retirants for the purchase of single-family dwellings, single-family cooperative apartments, and single-family condominiums.

(b) That the private lending institution shall originate and service these home loans.

(c) That the recipients of the loans occupy the homes as their permanent residences pursuant to rules and regulations adopted by the board or as these terms are defined in the correspondent agreements.

(d) That home loans shall be available only for the purchase of homes in this state.

(e) That the amount and length of the loans shall include terms and conditions that set a loan to value ratio of a maximum of 95 percent in the case of persons purchasing their first home in this state, and 80 percent in the case of persons purchasing other than their first home; provided, however, that the portion of any loan exceeding 80 percent of value shall be insured by an admitted mortgage guaranty insurer conforming to the provisions of Chapter 2A (commencing with Section 12640.01) of Part 6 of Division 2 of the Insurance Code in an amount so that the unguaranteed portion of the loan does not exceed 75 percent of the market value of the property together with improvements thereon.

(f) That there may be prepayment penalties assessed on loans, the terms and conditions of which shall be set forth in the correspondent agreement.

(g) That the criteria and terms for loans shall provide the greatest benefit to members and retirants consistent with the financial integrity of the program and the sound investment of the retirement fund.

(h) That loans shall not be made at a rate lower than the market rate.

(i) Such other terms and conditions as the parties to the correspondent agreement may deem appropriate.

SEC. 2. Section 31725.6 is added to the Government Code, to read:

31725.6. (a) When the board finds, based on medical advice, that a member in county service is incapacitated for the performance of the member's duties, the board shall determine, based upon that medical advice, whether the member is capable of performing other duties. If the board determines that a member, although incapacitated for the performance of the member's duties, is capable of performing other duties, the board shall inform the appropriate agency in county service of its findings and request that the agency immediately initiate a suitable rehabilitation program for the member pursuant to Section 139.5 of the Labor Code, whereby the member could become qualified for assignment to a position in county service consistent with the rehabilitation program.

(b) When the appropriate agency in county service receives such a request from the board, the agency shall immediately refer the member to a qualified rehabilitation representative for vocational evaluation. During the course of the evaluation, the rehabilitation representative shall consult with the appropriate agency in county service to determine what position, if any, in county service would be compatible with the member's aptitudes, interests, and abilities and whether rehabilitation services will enable the member to become qualified to perform the duties of the position.

(c) Upon completion of the vocational evaluation of the member, the rehabilitation representative shall develop a suitable rehabilitation plan and submit the plan for concurrence by the member and the appropriate agency in county service and,

thereafter, the agency shall forward the plan to the Division of Industrial Accidents for approval pursuant to Section 139.5 of the Labor Code.

(d) Upon receipt of approval of the rehabilitation plan, the appropriate agency in county service shall notify the board that the agency is either proceeding to implement an approved rehabilitation plan that will qualify the member for a position in county service specified in the plan or is unable to provide a position in county service compatible with the approved rehabilitation plan. The agency shall not consider as compatible a position for which the compensation is less than an amount equal to two-thirds of the compensation for the position for which the member was incapacitated.

(e) Upon commencement of service by the member in the position specified in the approved rehabilitation plan, the member shall not be paid the disability retirement allowance to which the member would otherwise be entitled during the entire period that the member remains in county service. However, if the compensation rate of the position specified in the approved rehabilitation plan is less than the compensation rate of the position for which the member was incapacitated, the board shall, in lieu of disability retirement allowance, pay to the member a supplemental disability allowance in an amount equal to the difference between the compensation rate of the position for which the member was incapacitated, applicable on the date of the commencement of service by the member in the position specified in the approved rehabilitation plan, and the compensation rate of the position specified in the plan, applicable on the same date. The disability allowance shall be adjusted annually to equal the difference between the current compensation rate of the position for which the member was incapacitated and the current compensation of the position specified in the approved rehabilitation plan. The supplemental disability allowance payments shall commence upon suspension of the disability retirement allowance and the amount of the payments shall not be greater than the disability retirement allowance to which the member would otherwise be entitled. Supplemental disability allowance payments made pursuant to this section shall be considered as a charge against the county advance reserve for current service, and all of these payments received by a member shall be considered as a part of the member's compensation within the meaning of Section 31460.

(f) From the time that the member is eligible to receive a disability retirement allowance until the appropriate agency is able to provide the position in county service specified in the approved rehabilitation plan, and the member has commenced service in that position, the disability retirement allowance to which the member is entitled under this article shall be paid. Upon commencement of service by the member in the position specified in the approved rehabilitation plan, the period during which the member was

receiving disability retirement payments shall not be considered as breaking the continuity of the member's service, and the rate of the member's contributions shall continue to be based on the same age at entrance into the retirement system as the member's rates were based on prior to the date of the member's disability. The member's accumulated contributions shall not be reduced as a result of the member receiving the disability retirement payments, but shall be increased by the amount of interest that would have accrued had the member not been retired.

(g) Notwithstanding Section 31560, a member whose principal duties, while serving in the position for which the member was incapacitated, consisted of activities defined in Section 31469.3 shall, upon commencement of service by the member in the position specified in the approved rehabilitation plan, continue to be considered as satisfying the requirements of Section 31560, notwithstanding the actual duties performed during the entire period that the member remains in county service.

(h) If, within one year from the date that the member has been eligible for a disability retirement allowance, the appropriate agency in county service has offered to the member, in writing, the position specified in the rehabilitation plan which had previously been concurred, in writing, by the member and approved by the Division of Industrial Accidents pursuant to Section 139.5 of the Labor Code, the member shall, within 30 days of receipt of the notice, report for duty at the location specified in the notice. If the member refuses to report for duty within the time specified, the appropriate agency in county service may apply to the board to have the member's allowance discontinued. The board shall be authorized to discontinue the member's disability retirement allowance if based upon substantial evidence of the refusal of the member to report to work without reasonable cause. However, the board shall not be authorized to impair any other of the rights or retirement benefits to which the member would otherwise be entitled.

(i) This section shall apply only to members who are eligible to retire for service-connected disability.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the Legislature finds and declares that there are savings as well as costs in this act which, in the aggregate, do not result in additional net costs.

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

There is an immediate need of the members and retirants of the State Teachers' Retirement System for the home loan financing provided by this act. In addition, in order that provision may be made at the earliest possible time for the rehabilitation and return to service of county employees recovering from service-connected disabilities, it is necessary that this act take effect immediately.

CHAPTER 70

An act to amend Section 39015 of the Education Code, relating to property, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 25, 1986. Filed with Secretary of State April 25, 1986]

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

SECTION 1. Section 39015 of the Education Code is amended to read:

39015. Whenever a school district acquires or has acquired a site for school purposes, as determined by the State Allocation Board, and does not use the site within (1) five years of the date of acquisition for the kindergarten, if any, and any of grades 1 to 8, inclusive, maintained by an elementary school district or a unified school district, or, (2) seven years of the date of acquisition for any of grades 7 to 12, inclusive, maintained by a high school district or a unified school district, or if a school district has a site at any grade level which has previously been used but has not been used for school purposes within the preceding five years, the school district shall be subject to nonuse payments, unless the State Allocation Board, from time to time, makes a determination that the school district will utilize the property for the purpose for which it was intended within a reasonable period of time, in a specific amount for each additional year in which the site is retained and not used by the district beyond the foregoing specified periods, except the first additional year shall be deemed to end not earlier than April 30, 1973.

The payments required shall be computed by the Executive Officer of the State Allocation Board and certified to the Controller, and payments shall be equal to one one-hundredth ($1/100$) of the original purchase price of the site modified by either a factor reflecting the change in assessed value of all lands in the state from the date of purchase of the site to the current date or any other factor which in the determination of the State Allocation Board is applicable to the site under consideration.

Whenever the State Allocation Board has determined that a school district in good faith has, within the preceding year, advertised the school site for sale to the highest bidder pursuant to the provisions of Article 4 (commencing with Section 39360) of Chapter 3 of Part 23 and has received no bids which in the judgment of the State Allocation Board reflect the fair market value of the property, the Executive Officer of the State Allocation Board shall not compute any nonuse payments for the site for a period of one year beyond the date of the determination.

Nonuse payments shall not be required for any year with respect

to a school site that for one-half or more of the number of days of that year has been utilized (1) by the school district, or by any other governmental entity pursuant to agreement with the school district, for school or community playground, playing field, or other outdoor recreational purposes, or (2) by the State Allocation Board, pursuant to agreement with the school district, for the storage of emergency portable classrooms.

Nonuse payments shall not be required for any year with respect to a school site which was leased at least one-half of the days in that year in a manner that subjected the site to property taxes equal to the taxes which would have been paid if the site had been sold.

SEC. 2. (a) The Director of General Services, with the approval of the State Public Works Board and the Director of Parks and Recreation, is hereby authorized to sell, exchange, or lease for current market value or for any lesser consideration authorized by law, and upon those terms and conditions and subject to those reservations and exceptions which the Director of General Services deems to be in the best interest of the state, all that portion of the property described in the deed from Cecil C. Hendrickson and Garnet J. Hendrickson, husband and wife, to the State of California recorded July 27, 1972, in Book 2412, page 709, Official Records of the County of Santa Barbara situated in the County of Santa Barbara, State of California, lying southeasterly of the centerline of Oak Avenue, and northeasterly of Sixth Street according to the map filed in Rack Number 2, as Map Number 4 of Miscellaneous Records of the County of Santa Barbara, containing 0.52 acres, more or less.

(b) Notice of every public auction or bid opening shall be posted on the property to be sold and shall be published in a newspaper of general circulation published in the county in which the real property to be sold is situated. All parcels in this act are exempt from the provisions of Sections 21100 to 21174, inclusive, of the Public Resources Code.

(c) (1) Any cost or expense incurred in the disposition of any parcel may be reimbursed from the proceeds of that disposition.

(2) Subject to paragraph (1), any moneys received from the disposition of any parcel described in this section shall be paid into the General Fund; except that the net proceeds of any sale of state park property shall be deposited as provided in Section 5003.15 of the Public Resources Code.

(d) As to any property sold pursuant to this section containing 10 acres or less, the Director of General Services shall except and reserve to the state all mineral deposits, as defined in Section 6407 of the Public Resources Code, below a depth of 500 feet, without surface rights of entry. As to any property sold pursuant to this section containing more than 10 acres, the Director of General Services shall except and reserve in the state all mineral deposits, as defined in Section 6407 of the Public Resources Code, together with the right to prospect for, mine, and remove the deposits. The rights to prospect for, mine, and remove shall be limited to those areas of

the property conveyed which the director, after consultation with the State Lands Commission, determines to be reasonably necessary for the removal of the resources and deposits.

SEC. 3. Due to the unique circumstances concerning facility needs in the City of Carpinteria for the Santa Barbara Community College District, the Legislature finds and declares that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution.

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

In order to change requirements for nonuse payments for certain school sites as soon as possible and in order that the Santa Barbara Community College District may, at the earliest possible time, acquire the surplus state property provided for in this act for continuation of an existing educational program in the City of Carpinteria, it is necessary that this act take effect immediately.

CHAPTER 71

An act to amend Section 300 of the Welfare and Institutions Code, relating to juveniles.

[Approved by Governor April 25, 1986 Filed with Secretary of State April 25, 1986]

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

SECTION 1. Section 300 of the Welfare and Institutions Code is amended to read:

300. Any person under the age of 18 years who comes within any of the following descriptions is within the jurisdiction of the juvenile court which may adjudge that person to be a dependent child of the court:

(a) Who is in need of proper and effective parental care or control and has no parent or guardian, or has no parent or guardian willing to exercise or capable of exercising care or control, or has no parent or guardian actually exercising care or control.

(b) Who is destitute, or who is not provided with the necessities of life, or who is not provided with a home or suitable place of abode, except that no person may be adjudged a dependent child solely due to the lack of an emergency shelter for the family.

(c) Who is physically dangerous to the public because of a mental or physical deficiency, disorder, or abnormality.

(d) Whose home is an unfit place for him or her by reason of neglect, cruelty, depravity, or physical abuse of either of his or her parents, or of his or her guardian or other person in whose custody

or care he or she is.

(e) Who has been freed for adoption from one or both parents for 12 months by either relinquishment or termination of parental rights and for whom an interlocutory decree has not been granted pursuant to Section 224n of the Civil Code or an adoption petition has not been granted.

(f) It is the intention of the Legislature in enacting the amendments to subdivision (a) enacted at the 1985–86 Regular Session, to assure that courts, in making a determination pursuant to subdivision (a) shall not focus upon the fact that a parent has a physical disability. The Legislature declares that a physical disability, such as blindness or deafness, is no bar to the raising of happy and well-adjusted children and that a court's determination pursuant to subdivision (a) should center upon whether a parent's disability prevents him or her from exercising care and control.

CHAPTER 72

An act to amend Sections 33190 and 33191 of, and to repeal and add Section 44237 of, the Education Code, relating to education, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 25, 1986. Filed with Secretary of State April 25, 1986]

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

SECTION 1. Section 33190 of the Education Code is amended to read:

33190. Every person, firm, association, partnership, or corporation offering or conducting private school instruction on the elementary or high school level shall between the first and 15th day of October of each year, commencing on October 1, 1967, file with the Superintendent of Public Instruction an affidavit or statement, under penalty of perjury, by the owner or other head setting forth the following information for the current year:

(a) All names, whether real or fictitious, of the person, firm, association, partnership, or corporation under which it has done and is doing business.

(b) The address, including city and street, of every place of doing business of the person, firm, association, partnership, or corporation within the State of California.

(c) The address, including city and street, of the location of the records of the person, firm, association, partnership, or corporation, and the name and address, including city and street, of the custodian of such records.

(d) The names and addresses, including city and street, of the directors, if any, and principal officers of the person, firm, association,

partnership, or corporation.

(e) The school enrollment, by grades, number of teachers, coeducational or enrollment limited to boys or girls and boarding facilities.

(f) That the following records are maintained at the address stated, and are true and accurate:

(1) The records required to be kept by Section 48222.

(2) The courses of study offered by the institution.

(3) The names and addresses, including city and street, of its faculty, together with a record of the educational qualifications of each.

(g) Criminal record summary information has been obtained pursuant to Section 44237.

Whenever two or more private schools are under the effective control or supervision of a single administrative unit, such administrative unit may comply with the provisions of this section on behalf of each of the schools under its control or supervision by submitting one report.

Filing pursuant to this section shall not be interpreted to mean, and it shall be unlawful for any school to expressly or impliedly represent by any means whatsoever, that the State of California, the Superintendent of Public Instruction, the State Board of Education, the State Department of Education, or any division or bureau of the department, or any accrediting agency has made any evaluation, recognition, approval, or endorsement of the school or course unless this is an actual fact.

The Superintendent of Public Instruction shall prepare and publish a list of private elementary and high schools to include the name and address of the school and the name of the school owner or administrator.

SEC. 2. Section 33191 of the Education Code is amended to read:

33191. (a) Commencing October 1, 1985, the affidavit or statement filed with the Superintendent of Public Instruction pursuant to Section 33190 shall, under penalty of perjury, include a statement manifesting compliance with the provisions of Section 44237.

(b) In the case of any private school where the instructor also serves as the administrator of the school, the affidavit or statement shall be made available upon request to the parents or guardians of all pupils currently enrolled in the school and to any parent or guardian considering whether to enroll his or her child in the school.

SEC. 3. Section 44237 of the Education Code is repealed.

SEC. 4. Section 44237 is added to the Education Code, to read:

44237. (a) Commencing October 1, 1985, every person, firm, association, partnership, or corporation offering or conducting private school instruction on the elementary or high school level shall require each new employee having contact with minor pupils and not possessing a valid California state teaching credential, or not currently licensed by another state agency that requires a criminal

record summary, to submit on or before the first day of his or her employment, two sets of fingerprints to the Department of Justice for the purpose of obtaining a criminal record summary from the Department of Justice and the Federal Bureau of Investigation. This requirement is a condition of employment.

(b) The Department of Justice shall furnish a criminal record summary to the employer designated by a new employee submitting fingerprints pursuant to subdivision (a). The criminal record summary shall contain only arrests resulting in a conviction and arrests pending final adjudication. The criminal record summary furnished to the employer shall be maintained by the employer in a secured file separate from personnel files, and shall be maintained in accordance with regulations for Criminal Offender Record Information Security as specified in Subchapter 7 (commencing with Section 700) of Chapter 1 of Title 11 of the California Administrative Code.

(c) The employer may request subsequent arrest service from the Department of Justice as is provided under Section 11105.2 of the Penal Code.

(d) As used in this section, the following terms shall have the following definitions:

(1) "Employer" means every person, firm, association, partnership, or corporation offering or conducting private school instruction on the elementary or high school level.

(2) "New employee" means any person hired to work in a private school on or after July 1, 1985, on a regular, paid full-time or regular, paid part-time basis who will have contact with minor pupils.

(e) Any new employee who wishes to have his or her employer consider information relevant to his or her criminal record, such as evidence of rehabilitation, shall be responsible for submitting these facts or documentation to his or her employer.

(f) The Commission on Teacher Credentialing shall send on a monthly basis to each private school a list of all teachers who have had their state teaching credential revoked or suspended. The list shall be identical to the list compiled for public schools in the state. The commission shall also send on a quarterly basis a complete and updated list of all teachers who have had their teaching credentials revoked or suspended, excluding teachers who have had their credentials reinstated, or who are deceased.

(g) The Department of Justice may charge each applicant for a criminal record summary a reasonable fee to cover costs associated with the processing of the criminal record summary. In no event, shall the fee exceed the actual costs incurred by the department.

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

In order to authorize the Department of Justice to furnish criminal record summaries and subsequent arrest services for those

employees hired to work on or after the effective date of this bill, by the fall 1985 school year, it is necessary that this act take effect immediately as an urgency statute.

CHAPTER 73

An act relating to community college finance, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 25, 1986 Filed with Secretary of State April 25, 1986.]

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

SECTION 1. The sum of four hundred thousand dollars ($400,000) is hereby reappropriated from the amounts remaining from the sum appropriated in subdivision (a), and the sum of eight hundred thousand dollars ($800,000) is hereby reappropriated from the sum appropriated in subdivision (b), of Section 3 of Chapter 184 of the Statutes of 1985, to Section B of the State School Fund for emergency apportionments to the Lassen Community College District for the 1985–86 fiscal year pursuant to Article 2 (commencing with Section 84309) of Chapter 3 of Part 50 of the Education Code.

SEC. 2. The sum of one million two hundred thousand dollars ($1,200,000) is hereby reappropriated from the amounts remaining from the sum appropriated in subdivision (a), and the sum of two million dollars ($2,000,000) is hereby reappropriated from the sum appropriated in subdivision (c), of Section 3 of Chapter 184 of the Statutes of 1985, and the sum of one hundred thousand dollars ($100,000) is hereby appropriated from the General Fund, to Section B of the State School Fund for emergency apportionments to the Peralta Community College District for the 1985–86 fiscal year pursuant to Article 2 (commencing with Section 84309) of Chapter 3 of Part 50 of the Education Code.

SEC. 3. As a condition of receiving any emergency apportionment funds pursuant to this act, in addition to complying with Article 2 (commencing with Section 84309) of Chapter 3 of Part 50 of the Education Code, all of the following conditions shall apply:

(a) The governing boards of the Lassen Community College District and the Peralta Community College District shall each provide all of the following to the Chancellor of the California Community Colleges:

(1) A detailed plan to resolve the financial problems of the district, including the achievement of fiscal stability. The plan shall be submitted for the 1986–87 fiscal year, and annually thereafter for each subsequent fiscal year, as of such dates as are designated by the

chancellor, until the total allocation made pursuant to this act, including interest, is repaid. The plan shall be consistent with the management plan submitted pursuant to Article 2 (commencing with Section 84309) of Chapter 3 of Part 50 of the Education Code. Each annual fiscal plan shall be prepared on both a cash and accrual basis. No district or individual campus expenditure shall deviate from the fiscal plan without the prior written approval of the chancellor.

(2) An educational plan, including, but not necessarily limited to, details on how educational programs, personnel, facilities, and other programs will be affected by each fiscal plan.

(3) Quarterly reports during the 1985–86 fiscal year and in each fiscal year thereafter until the total allocation is repaid, on actual receipts and expenditures compared to the budgeted amounts, by detailed line item.

(4) Other fiscal and management reports as are deemed necessary by the chancellor to ensure the fiscal stability of the district in accordance with this section.

(b) No funds shall be apportioned under this act to any district until the requirements set forth in Article 2 (commencing with Section 84309) of Chapter 3 of Part 50 of the Education Code are met. The chancellor may release a portion not to exceed 25 percent of the district's loan, if in his or her judgment, it is likely that acceptable plans will be submitted by the district and approved. No additional funds shall be released by the chancellor pursuant to this section until the requirements of this section are met.

(c) As to each of these districts, until the total allocation made to the district pursuant to this act, including interest, is repaid and the district has regained fiscal stability, as determined by the chancellor, the chancellor or his or her designee shall:

(1) Review and monitor the plans, reports, and other fiscal material required under subdivision (a), and, at any time, propose any modifications to the fiscal and educational plans he or she deems necessary for the district's achievement of fiscal stability.

(2) If the district fails to adequately implement any proposed modification, do either or both of the following:

(A) Require that all subsequent actions of the district to implement the fiscal and educational plans be submitted for prior written approval.

(B) Reduce any apportionment to the district in any amount he or she deems appropriate.

(3) Report to the chairs of the fiscal and educational policy committees of both houses of the Legislature, the Director of Finance, and the Governor any action taken against the district pursuant to paragraph (2), as well as any corrective action taken by the district thereafter.

(4) Commencing no later than six months after the effective date of this act, and at least every six months thereafter, report to the Joint Legislative Budget Committee and the Director of Finance of the status of the repayment of emergency apportionment funds, the

adequacy of the district's funding level pursuant to this act, and the financial condition of the district. The chancellor shall also conduct a followup review after the final repayment of the total allocation to each district and submit a report thereon to the Joint Legislative Budget Committee and the Director of Finance.

For the purposes of paragraphs (1) and (2), the chancellor may contract for the services to be performed by a designee. The chancellor may transfer to the support budget of the chancellor's office, from funding that would otherwise have been apportioned to the Lassen Community College District and the Peralta Community College District under Section B of the State School Fund, those funds necessary to pay all costs incurred by the designee in performing the services.

(d) The chancellor shall direct the governing board of any community college district receiving apportionments pursuant to this act to submit a petition, file a plan for the adjustment of debts, and otherwise comply with Chapter 9 (commencing with Section 901) of Title 11 of the United States Code if both of the remedies set forth in paragraph (2) of subdivision (c) have been implemented and, in his or her judgment, either of the following conditions nonetheless occurs:

(1) The district is not taking steps necessary to achieve fiscal stability.

(2) Continuation of the district's then current fiscal management practices would not resolve the fiscal deficit of the district and enable it to repay the emergency apportionment funds.

All actions taken by the district pursuant to Chapter 9 (commencing with Section 901) of Title 11 of the United States Code shall be subject to the direction of the chancellor. Any plan filed pursuant to Chapter 9 (commencing with Section 901) of Title 11 of the United States Code may include, but is not limited to, the granting to the chancellor or his or her designee the right of prior approval over any aspects of the operation of the district.

SEC. 4. Notwithstanding any other provision of law, the knowing violation by any governing board member, other officer, or employee of the district of any provision of the fiscal plan approved by the Chancellor of the California Community Colleges or his or her designee under Section 3, or of any modification to that plan proposed by the chancellor or his or her designee and agreed to by the governing board of the district, shall be deemed a violation of official duty for which that officer or employee may be judicially removed from office or employment pursuant to Section 661 of the Penal Code.

The Chancellor of the California Community Colleges, and any other persons or entities as the court may deem proper, shall have standing to initiate an appropriate judicial action for the purposes of this section.

SEC. 5. Due to the unique circumstances affecting the Lassen Community College District and the Peralta Community College

District, the Legislature finds and declares that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution.

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

In order for the Lassen Community College District and the Peralta Community College District to maintain their current educational programs for the 1985–86 fiscal year, it is necessary that this act take effect immediately.

CHAPTER 74

An act to repeal, add, and repeal Section 213.6 of the Revenue and Taxation Code, relating to taxation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 25, 1986. Filed with Secretary of State April 25, 1986.]

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

SECTION 1. Section 213.6 of the Revenue and Taxation Code is repealed.

SEC. 2. Section 213.6 is added to the Revenue and Taxation Code, to read:

213.6. (a) Personal property owned and operated by an organization incorporated by an act of the United States Congress whose purposes are to provide adequate facilities to assist in meeting local and national emergencies and to promote the public welfare and provide aviation and aerospace education and training which is used exclusively for those purposes shall be exempt from taxation, provided that the organization qualifies for exemption under Section 501(c)(3) of the Internal Revenue Code of 1954.

(b) This section shall be effective commencing with the lien date in 1986.

(c) This section shall remain in effect to and including the lien date in 1995, after which it shall become inoperative. This section shall remain in effect only until January 1, 1996, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1996, deletes or extends that date.

SEC. 3. This act makes a classification or exemption of property for purposes of ad valorem property taxation within the meaning of Section 2229 of the Revenue and Taxation Code.

SEC. 4. The Legislature finds and declares that the retroactive continuation of the exemption provided by this act serves a public purpose for all state and local governments inasmuch as the loss of

the tax exemption would result in a major reduction in the ability of the Civil Air Patrol to provide necessary search and rescue/disaster relief programs on a statewide basis.

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

In order to reinstitute a lapsed program as soon as possible, it is necessary for this act to take effect immediately.

CHAPTER 75

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

[Approved by Governor April 25, 1986. Filed with Secretary of State April 25, 1986.]

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

SECTION 1. This act may be cited as the First Validating Act of 1986.

SEC. 2. As used in this act:

(a) "Public body" means the state and all departments, agencies, boards, commissions, and authorities of the state. "Public body" also means counties, cities and counties, cities, and all of the following districts, authorities, agencies, boards, commissions, and other entities:

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

Air pollution control districts.

Air quality management districts.

Airport districts.

Assessment districts.

Bridge and highway districts.

Bridge, highway, and transportation districts.

California water district distribution districts.

California water district improvement districts.

California water districts.

Cemetery districts.

Citrus pest control districts.

City general improvement district improvement districts.

City general improvement districts.

City maintenance districts.

Community college districts.

Community development commissions.
Community facilities districts.
Community rehabilitation districts.
Community service district improvement districts.
Community service districts.
Conservancy districts.
Cotton pests abatement districts.
County boards of education.
County drainage districts.
County fire protection districts.
County flood control and water districts.
County free library systems.
County maintenance districts.
County power pumping districts.
County sanitation district improvement districts.
County sanitation districts.
County service area improvement areas.
County service areas.
County sewage and water districts.
County water agencies.
County water authorities.
County water district improvement districts.
County water districts.
County waterworks districts.
Crossing guard maintenance districts.
Department of Water Resources and other agencies acting under and pursuant to Part 3 (commencing with Section 11100) of Division 6 of the Water Code.
Drainage districts.
Fire protection districts.
Flood control and water conservation districts.
Flood control districts.
Garbage and refuse disposal districts.
Garbage disposal districts.
Geologic hazard abatement districts.
Harbor districts.
Harbor improvement districts.
Harbor, recreation, and conservation districts.
Highway districts.
Highway interchange districts.
Highway lighting districts.
Horticultural development districts.
Horticultural protection districts.
Housing authorities.
Industrial development authorities.
Irrigation district distribution districts.
Irrigation district improvement districts.
Irrigation districts.
Joint harbor improvement districts.

Joint highway districts.
Joint municipal sewage disposal districts.
Junior college districts.
Levee districts.
Library districts.
Local agency formation commissions.
Local health districts.
Local hospital districts.
Metropolitan transit development boards.
Metropolitan water districts.
Mosquito abatement districts.
Mosquito abatement or vector control districts.
Municipal facilities districts.
Municipal improvement assessment districts.
Municipal improvement district improvement districts.
Municipal improvement districts.
Municipal port districts.
Municipal sewer districts.
Municipal utility districts.
Municipal water district improvement districts.
Municipal water districts of any kind.
Parking authorities.
Parking districts.
Park, recreation, and parkway districts.
Permanent road divisions.
Pest abatement districts.
Port districts.
Project areas of redevelopment agencies.
Protection districts.
Public cemetery districts.
Public utility district improvement districts.
Public utility districts.
Rapid transit authorities.
Rapid transit districts.
Reclamation districts.
Recreational harbor districts.
Recreation and park districts.
Recreation, park, and parkway districts.
Redevelopment agencies.
Regional open-space districts.
Regional park and open-space districts.
Regional park districts.
Regional planning districts.
Resort improvement districts.
Resource conservation districts.
River port districts.
Road districts.
Sanitary agencies.
Sanitary districts.

Sanitary districts annexed areas.
School districts of any kind or class.
Separation of grade districts.
Sewer maintenance districts.
Special community services districts.
Special transit service districts.
Special benefit assessment districts of the Southern California Rapid Transit District.
Storm water districts.
Transit districts.
Underground utility districts.
Unified air pollution control districts.
Unified port districts.
Urban renewal agencies.
Vehicle parking districts.
Veterans' memorial districts.
Water agencies.
Water authorities.
Water conservation districts.
Water districts.
Water replenishment districts.
Water storage district improvement districts.
Water storage districts.
Weed abatement districts.
Zones of community service districts.
Zones of county water agencies.
Zones of county water authorities.
Zones of county waterworks districts.
Zones of flood control and water conservation districts.
Zones of flood control districts.

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

(b) "Bonds" means all instruments evidencing an indebtedness of a public body incurred or to be incurred for any public purpose, all leases, installment purchase agreements, or similar agreements in which the obligor is one or more public bodies, all instruments evidencing the borrowing of money in anticipation of taxes, revenues, or other income of such body, all instruments payable from revenues or special funds of such public bodies, all certificates of participation evidencing interests in the leases, installment purchase agreements, or similar agreements, and all instruments funding, refunding, replacing, or amending any thereof or any indebtedness.

(c) "Hereafter" means any time subsequent to the effective date of this act.

(d) "Heretofore" means any time prior to the effective date of this act.

(e) "Now" means the effective date of this act.

SEC. 3. All public bodies heretofore organized or existing under,

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

SEC. 4. The boundaries of every public body as heretofore established, defined, or recorded, or as heretofore actually shown on maps or plats used by the assessor, are hereby confirmed, validated, and declared legally established.

SEC. 5. All acts and proceedings heretofore taken by any public body or bodies under any law, or under color of any law, for the annexation or inclusion of territory into any such public body or for the annexation of any such public body to any other such public body or for the withdrawal or exclusion of territory from any such public body or for the consolidation, merger, or dissolution of any public bodies are hereby confirmed, validated, and declared legally effective. This shall include all acts and proceedings of the governing board of any such public body and of any person, public officer, board, or agency heretofore done or taken upon the question of the annexation or inclusion or of the withdrawal or exclusion of such territory or the consolidation, merger, or dissolution of such public bodies.

SEC. 6. All acts and proceedings heretofore taken by or on behalf of any public body under any law, or under color of any law, for, or in connection with, the authorization, issuance, sale, execution, delivery, or exchange of bonds of any such public body for any public purpose are hereby authorized, confirmed, validated, and declared legally effective. This shall include all acts and proceedings of the governing board of such public body and of any person, public officer, board, or agency heretofore done or taken upon the question of the authorization, issuance, sale, execution, delivery, or exchange of such bonds.

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

of issuing bonds for any public purpose, such bonds, if hereafter authorized by the required vote and in accordance with the proceedings heretofore taken, and issued and delivered in accordance with such authorization, shall be the legal, valid, and binding obligations of the public body.

SEC. 7. (a) This act shall operate to supply such legislative authorization as may be necessary to authorize, confirm, and validate any such acts and proceedings heretofore taken which the Legislature could have supplied or provided for in the law under which such acts or proceedings were taken.

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

(c) This act shall not operate to authorize, confirm, validate, or legalize any act, proceeding, or other matter the legality of which is being contested or inquired into in any legal proceeding now pending and undetermined or which is pending and undetermined during the period of 30 days from and after the effective date of this act, and shall not operate to authorize, confirm, validate, or legalize any act, proceeding, or other matter which has heretofore been determined in any legal proceeding to be illegal, void, or ineffective.

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

SEC. 8. Any action or proceeding contesting the validity of any action or proceeding heretofore taken under any law, or under color of any law, for the formation, organization, or incorporation of any public body, or for any annexation thereto, exclusion therefrom, or other change of boundaries thereof, or for the consolidation, merger, or dissolution of any public bodies, or for, or in connection with, the authorization, issuance, sale, execution, delivery, or exchange of bonds thereof upon any ground involving any alleged defect or illegality not effectively validated by the prior provisions of this act and not otherwise barred by any statute of limitations or by laches must be commenced within six months of the effective date of this act; otherwise each and all of such matters shall be held to be valid and in every respect legal and incontestable. This act shall not extend the period in which any action may be brought beyond the period in which it would be barred by any presently existing valid statute of limitations.

SEC. 9. Nothing contained in this act shall be construed to render the creation of any city or district, or any change in the boundaries of any city or district, effective for purposes of assessment or taxation unless the statement, together with the map or plat, required to be filed under Sections 54900 to 54904, inclusive, of the Government Code, is filed within the time and substantially in the manner required by those sections.

SEC. 10. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into

immediate effect. The facts constituting the necessity are:

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

CHAPTER 76

An act to amend Section 14087.51 of the Welfare and Institutions Code, relating to public social services, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 30, 1986. Filed with Secretary of State April 30, 1986.]

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

SECTION 1. Section 14087.51 of the Welfare and Institutions Code is amended to read:

14087.51. It is necessary that a special commission be established in San Mateo County in order to meet the problems of the delivery of publicly assisted medical care in the county and to demonstrate ways of promoting quality care and cost efficiency. Because there is no general law under which such a commission could be formed, the adoption of a special act and the formation of a special commission is required.

The Board of Supervisors of San Mateo County may, by ordinance, establish a commission to negotiate the exclusive contract specified in Section 14087.5 and to arrange for the provision of health care services provided pursuant to this chapter. If the board of supervisors elects to enact this ordinance, all rights, powers, duties, privileges, and immunities vested in a county by this article shall be vested in the county commission. Any reference in this article to "county" shall mean the commission established pursuant to this section.

The enabling ordinance shall specify the membership of the county commission, the qualifications for individual members, and such other matters as the board of supervisors deems necessary or convenient for the conduct of the county commission's activities. All commissioners shall be appointed by majority vote of the board of supervisors and shall serve at the pleasure thereof. The board of supervisors may appoint no more than two of its own members to serve on the commission.

As an alternative to establishing a separate commission, the enabling ordinance may designate the board of supervisors itself as the commission authorized by this article.

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

In order to apply the provisions of this act to the appointment of members of the special commission in San Mateo County prior to the end of the 1986 calendar year, it is essential that this act go into effect immediately.

CHAPTER 77

An act to amend Section 9409 of the Welfare and Institutions Code, relating to elderly persons, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 3, 1986 Filed with Secretary of State May 5, 1986.]

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

SECTION 1. Section 9409 of the Welfare and Institutions Code is amended to read:

9409. This chapter shall remain in effect until the state establishes a new local long-term care delivery system pursuant to the Torres-Felando Long-Term Care Reform Act (Chapter 1453 of the Statutes of 1982) or until June 30, 1989, whichever comes first and as of that date is repealed unless a later enacted statute chaptered prior to that date extends or deletes that date.

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

In order to avoid the interruption of a vital service to elderly persons, it is essential that this act take effect immediately.

CHAPTER 78

An act to add Section 6054 to the Business and Professions Code, relating to criminal history information.

[Approved by Governor May 3, 1986. Filed with Secretary of State May 5, 1986.]

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

SECTION 1. Section 6054 is added to the Business and Professions Code, to read:

6054. State and local law enforcement and licensing bodies and departments, officers and employees thereof, and officials and attachés of the courts of this state shall cooperate with and give reasonable assistance and information, including the providing of

state summary criminal history information and local summary criminal history information, to the State Bar of California or any authorized representative thereof, in connection with any investigation or proceeding within the jurisdiction of the State Bar of California, regarding the admission to the practice of law or discipline of attorneys or their reinstatement to the practice of law.

The State Bar of California shall require that an applicant for admission or reinstatement to the practice of law in California shall be fingerprinted in order to establish the identity of the applicant and in order to determine whether the applicant has a record of criminal conviction in this state or in other states. The information obtained as a result of the fingerprinting of an applicant shall be limited to the official use of the State Bar in establishing the identity of the applicant and in determining the character and fitness of the applicant for admission or reinstatement. After admission or reinstatement all fingerprint records of that applicant shall be destroyed.

All costs of providing criminal history information to, and the processing of fingerprints for, the State Bar, as required by this section, shall be borne by the State Bar.

SEC. 2. Reimbursement to local agencies and school districts for costs mandated by the state pursuant to this act shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code and, if the statewide cost of the claim for reimbursement does not exceed five hundred thousand dollars ($500,000), shall be made from the State Mandates Claims Fund.

CHAPTER 79

An act to amend Section 7071.8 of the Business and Professions Code, relating to contractors.

[Approved by Governor May 3, 1986 Filed with Secretary of State May 5, 1986.]

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

SECTION 1. Section 7071.8 of the Business and Professions Code is amended to read:

7071.8. (a) This section applies to an application for a license, for restoration of a license, or for continued valid use of a license which has been disciplined, whether or not the disciplinary action has been stayed, made by any of the following persons or firms:

(1) Any person whose license has been suspended or revoked as a result of disciplinary action for violation of this chapter.

(2) Any person who was an officer, director, member, partner or qualifying individual for a licensee at any time during which cause

for disciplinary action occurred resulting in suspension or revocation of the licensee's license and who had knowledge of or participated in the act or omission which was the cause for the disciplinary action for violation of this chapter.

(3) Any partnership, corporation, firm or association of which any officer, director, member, partner or qualifying person has had the license suspended or revoked as a result of disciplinary action for violation of this chapter.

(4) Any partnership, corporation, firm or association of which any officer, director, member, partner or qualifying person was a member, officer, director, partner or qualifying person of a licensee at any time during which cause for disciplinary action occurred resulting in suspension or revocation of the license, and who had knowledge of or participated in the act or omission which was the cause for the disciplinary action for violation of this chapter.

(b) The board shall require as a condition precedent to the issuance, reissuance or restoration of a license to the applicant, or removal of suspension, or to the continued valid use of a license which has been suspended or revoked, but which suspension or revocation has been stayed, that the applicant or licensee file or have on file a contractor's bond in a sum to be fixed by the registrar based upon the seriousness of the violation, but which sum shall not be less than fifteen thousand dollars ($15,000) nor more than 10 times that amount required by Section 7071.6.

(c) The bond is in addition to, may not be combined with, and does not replace any other type of bond required by this chapter. The bond shall remain on file with the registrar for a period of at least two years and for such additional time as the registrar may determine. The bond period shall run only while the license is current, active, and in good standing, and shall be extended until such time as the license has been current, active, and in good standing for the required period. Each applicant or licensee shall be required to file only one disciplinary contractor's bond of the type described in this section for each application or license subject to this bond requirement.

CHAPTER 80

An act to amend Sections 11370.2, 11370.4, and 11379.8 of the Health and Safety Code, relating to controlled substances.

[Approved by Governor May 3, 1986. Filed with Secretary of State May 5, 1986.]

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

SECTION 1. Section 11370.2 of the Health and Safety Code is amended to read:

11370.2. (a) Any person convicted of a violation of Section 11351 or 11352 shall receive, in addition to any other punishment authorized by law, including Section 667.5 of the Penal Code, a full, separate, and consecutive three-year term for each prior felony conviction of Section 11351, 11352, 11378, 11378.5, 11379, 11379.5, 11379.6, 11380, 11380.5, or 11383, whether or not the prior conviction resulted in a term of imprisonment.

(b) Any person convicted of a violation of Section 11378.5, 11379.5, 11379.6, 11380.5, or 11383 shall receive, in addition to any other punishment authorized by law, including Section 667.5 of the Penal Code, a full, separate, and consecutive three-year term for each prior felony conviction of Section 11351, 11352, 11378, 11378.5, 11379, 11379.5, 11379.6, 11380, 11380.5, or 11383, whether or not the prior conviction resulted in a term of imprisonment.

(c) Any person convicted of a violation of Section 11378 or 11379 with respect to any substance containing a controlled substance specified in paragraph (1) or (2) of subdivision (d) of Section 11055 shall receive, in addition to any other punishment authorized by law, including Section 667.5 of the Penal Code, a full, separate, and consecutive three-year term for each prior felony conviction of Section 11351, 11352, 11378, 11378.5, 11379, 11379.5, 11379.6, 11380, 11380.5, or 11383, whether or not the prior conviction resulted in a term of imprisonment.

(d) The enhancements provided for in this section shall be pleaded and proven as provided by law.

SEC. 2. Section 11370.4 of the Health and Safety Code is amended to read:

11370.4. (a) Any person convicted of a violation of Section 11351 or 11352 with respect to a substance containing heroin or cocaine shall receive an additional term as follows:

(1) Where the substance exceeds three pounds by weight, the person shall receive an additional term of three years.

(2) Where the substance exceeds 10 pounds by weight, the person shall receive an additional term of five years.

(3) Where the substance exceeds 25 pounds by weight, the person shall receive an additional term of 10 years.

(b) Any person convicted of a violation of Section 11378, 11378.5, 11379, or 11379.5 with respect to a substance containing methamphetamine, amphetamine, or phencyclidine (PCP) and its analogs shall receive an additional term as follows:

(1) Where the substance exceeds three pounds by weight, or nine gallons by liquid volume, the person shall receive an additional term of three years.

(2) Where the substance exceeds 10 pounds by weight, or 33⅓ gallons by liquid volume, the person shall receive an additional term of five years.

(3) Where the substance exceeds 25 pounds by weight, or 62½ gallons by liquid volume, the person shall receive an additional term of 10 years.

In computing the quantities involved in this subdivision, plant or vegetable material seized shall not be included.

(c) The additional terms provided in this section shall not be imposed unless the allegation that the weight of the substance containing heroin, cocaine, methamphetamine, amphetamine, or phencyclidine (PCP) and its analogs exceeds the amounts provided in this section is charged in the accusatory pleading and admitted or found to be true by the trier of fact.

(d) The additional terms provided in this section shall be in addition to any other punishment provided by law.

(e) Notwithstanding any other provision of law, the court may strike the additional punishment for the enhancements provided in this section if it determines that there are circumstances in mitigation of the additional punishment and states on the record its reasons for striking the additional punishment.

SEC. 3. Section 11379.8 of the Health and Safety Code is amended to read:

11379.8. (a) Any person convicted of a violation of subdivision (a) of Section 11379.6 with respect to any substance containing a controlled substance which is specified in paragraph (21), (22), or (23) of subdivision (d) of Section 11054, or in paragraph (1) or (2) of subdivision (d) or in paragraph (3) of subdivision (e) or in paragraph (2) of subdivision (f) of Section 11055 shall receive an additional term as follows:

(1) Where the substance exceeds three gallons of liquid by volume or one pound of solid substances by weight, the person shall receive an additional term of three years.

(2) Where the substance exceeds 10 gallons by liquid volume or three pounds of solid substance by weight, the person shall receive an additional term of five years.

(3) Where the substance exceeds 25 gallons of liquid volume or 10 pounds of solid substance by weight, the person shall receive an additional term of 10 years.

In computing the quantities involved in this subdivision, plant or vegetable material seized shall not be included.

(b) The additional terms provided in this section shall not be imposed unless the allegation that the controlled substance exceeds the amounts provided in this section is charged in the accusatory pleading and admitted or found to be true by the trier of fact.

(c) The additional terms provided in this section shall be in addition to any other punishment provided by law.

(d) Notwithstanding any other provision of law, the court may strike the additional punishment for the enhancements provided in this section if it determines that there are circumstances in mitigation of the additional punishment and states on the record its reasons for striking the additional punishment.

CHAPTER 81

An act to amend Section 2931a of the Civil Code, and to add Section 2196 to the Revenue and Taxation Code, relating to taxation.

[Approved by Governor May 5, 1986 Filed with Secretary of State May 6, 1986.]

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

SECTION 1. Section 2931a of the Civil Code is amended to read:

2931a. In any action brought to determine conflicting claims to real property, or for partition of real property, or to foreclose a deed of trust, mortgage, or other lien upon real property, or in all eminent domain proceedings under Section 1250.110 et seq., of the Code of Civil Procedure against real property upon which exists a lien to secure the payment of taxes or other obligations to an agency of the State of California, other than ad valorem taxes upon the real property, the state agency charged with the collection of the tax obligation may be made a party. In such an action, the court shall have jurisdiction to determine the priority and effect of the liens described in the complaint in or upon the property, but the jurisdiction of the court in the action shall not include a determination of the validity of the tax giving rise to the lien or claim of lien. The complaint or petition in the action shall contain a description of the lien sufficient to enable the tax or other obligation, payment of which it secures, to be identified with certainty, and shall include the name and address of the person owing the tax or other obligation, the name of the state agency that recorded the lien, and the date and place where the lien was recorded. Services of process in the action shall be made upon the agency, officer, board, commission, department, division, or other body charged with the collection of the tax or obligation. It shall be the duty of the Attorney General to represent the state agency in any such action.

SEC. 2. Section 2196 is added to the Revenue and Taxation Code, to read:

2196. (a) If the tax collector determines, following the presentation of evidence by the owner or assessee of real property, that a lien on that property for unpaid taxes, assessments, fees, or charges levied by a local public entity has been erroneously filed for recordation, the tax collector shall send a document to the recorder stating the facts which indicate the erroneous filing. The document shall be clearly labeled with the words "Removal of Invalid Lien."

(b) The recorder shall mail the original "Removal of Invalid Lien" document to the owner of the property after recording the document.

(c) For purposes of this section, "local public entity" means a county, a city, or a district.

SEC. 3. No reimbursement shall be made from the State

Mandates Claims Fund pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code for costs mandated by the state pursuant to this act. It is recognized, however, that a local agency or school district may pursue any remedies to obtain reimbursement available to it under Part 7 (commencing with Section 17500) and any other provisions of law.

CHAPTER 82

An act to add Section 2764 to the Public Resources Code, relating to surface mining and reclamation.

[Approved by Governor May 5, 1986. Filed with Secretary of State May 6, 1986]

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

SECTION 1. Section 2764 is added to the Public Resources Code, to read:

2764. (a) Upon the request of an operator or other interested person and payment by the requesting person of the estimated cost of processing the request, the lead agency having jurisdiction shall amend its general plan, or prepare a new specific plan or amend any applicable specific plan, that shall, with respect to the continuation of the existing surface mining operation for which the request is made, plan for future land uses in the vicinity of, and access routes serving, the surface mining operation in light of the importance of the minerals to their market region as a whole, and not just their importance to the lead agency's area of jurisdiction.

(b) In adopting amendments to the general plan, or adopting or amending a specific plan, the lead agency shall make written legislative findings as to whether the future land uses and particular access routes will be compatible or incompatible with the continuation of the surface mining operation, and if they are found to be incompatible, the findings shall include a statement of the reasons why they are to be provided for, notwithstanding the importance of the minerals to their market region as a whole or their previous designation by the board, as the case may be.

(c) Any evaluation of a mineral deposit prepared by a lead agency for the purpose of carrying out this section shall be transmitted to the State Geologist and the board.

(d) The procedure provided for in this section shall not be undertaken in any area that has been designated pursuant to Article 6 (commencing with Section 2790) if mineral resource management policies have been established and incorporated in the lead agency's general plan in conformance with Article 4 (commencing with Section 2755).

SEC. 2. No appropriation is made by this act pursuant to Section

6 of Article XIII B of the California Constitution because self-financing authority is provided in this act by the addition of Section 2764 to the Public Resources Code to cover any costs that may be incurred in carrying on any program or performing any service required to be carried on or performed by this act.

CHAPTER 83

An act relating to public utilities.

[Approved by Governor May 5, 1986. Filed with Secretary of State May 6, 1986]

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

SECTION 1. (a) The Public Utilities Commission shall investigate and study the situation existing in regions throughout the state involving agricultural processors of both food and fiber and operators of refrigerated warehousing necessary for the processing and marketing of agricultural commodities operating in a common production or marketing area which are charged significantly different rates for the same, or substantially the same, electric or gas service.

(b) The investigation and study shall include, but not be limited to, analyses of all of the following:

(1) The effects of different electric and gas rate structures on agricultural processors and refrigerated warehouse operators which are similarly situated.

(2) The rate structuring processes and methods of every electrical and gas corporation serving agricultural processors and refrigerated warehouse operators.

(3) The impact of time-of-day use rates on agricultural processors.

(4) The effects of contracts between electrical and gas corporations and their intermediary suppliers on agricultural processors and refrigerated warehouse operators.

(5) The effects on rates charged to agricultural processors and refrigerated warehouse operators of the different sources of supply of electricity and gas.

(c) The commission shall report its findings, conclusions, and recommendations to the Legislature on or before April 1, 1987.

CHAPTER 84

An act to repeal Section 13968.1 of the Government Code, and to add Section 13823.95 to the Penal Code, relating to victims of crime.

[Approved by Governor May 5, 1986. Filed with Secretary of State May 6, 1986.]

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

SECTION 1. Section 13968.1 of the Government Code is repealed.

SEC. 2. Section 13823.95 is added to the Penal Code, to read:

13823.95. No costs incurred by a physician, hospital, or other emergency medical facility for the examination of the victim of a sexual assault, as described in the protocol developed pursuant to Section 13823.5, when the examination is performed, pursuant to Sections 13823.5 and 13823.7, for the purposes of gathering evidence for possible prosecution, shall be charged directly or indirectly to the victim of the assault. Those costs shall be treated as local costs and charged to the appropriate local government agency as follows:

(a) If the examination is provided at a county or city hospital, or hospital district facility, the county shall pay the expenses.

(b) If the examination is performed at a private hospital or in the office of a physician and surgeon, the expenses shall be paid by the local governmental agency in whose jurisdiction the alleged offense was committed.

Bills for these costs shall be submitted to the law enforcement agency in the jurisdiction in which the alleged offense was committed which requests the examination.

The law enforcement agency in the jurisdiction in which the alleged offense was committed which requests the examination has the option of determining whether or not the examination will be performed in the office of a physician and surgeon.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the Legislature finds and declares that there are savings as well as costs in this act which, in the aggregate, do not result in additional net costs.

CHAPTER 85

An act to amend Sections 667 and 1385 of the Penal Code, relating to courts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 5, 1986 Filed with Secretary of State May 6, 1986]

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

SECTION 1. This act shall be known and may be cited as the "Career Criminal Punishment Act."

SEC. 1.5. Section 667 of the Penal Code is amended to read:

667. (a) In compliance with subdivision (b) of Section 1385, any person convicted of a serious felony who previously has been convicted of a serious felony in this state or of any offense committed in another jurisdiction which includes all of the elements of any serious felony, shall receive, in addition to the sentence imposed by the court for the present offense, a five-year enhancement for each such prior conviction on charges brought and tried separately. The terms of the present offense and each enhancement shall run consecutively.

(b) This section shall not be applied when the punishment imposed under other provisions of law would result in a longer term of imprisonment. There is no requirement of prior incarceration or commitment for this section to apply.

(c) The Legislature may increase the length of the enhancement of sentence provided in this section by a statute passed by majority vote of each house thereof.

(d) As used in this section "serious felony" means a serious felony listed in subdivision (c) of Section 1192.7.

(e) The provisions of this section shall not be amended by the Legislature except by statute passed in each house by rollcall vote entered in the journal, two-thirds of the membership concurring, or by a statute that becomes effective only when approved by the electors.

SEC. 2. Section 1385 of the Penal Code is amended to read:

1385. (a) The judge or magistrate may, either of his or her own motion or upon the application of the prosecuting attorney, and in furtherance of justice, order an action to be dismissed. The reasons for the dismissal must be set forth in an order entered upon the minutes. No dismissal shall be made for any cause which would be ground of demurrer to the accusatory pleading.

(b) This section does not authorize a judge to strike any prior conviction of a serious felony for purposes of enhancement of a sentence under Section 667.

SEC. 3. It is the intent of the Legislature to abrogate the holding in People v. Fritz, 40 Cal. 3d 227, and to restrict the authority of the

trial court to strike prior convictions of serious felonies when imposing an enhancement under Section 667 of the Penal Code.

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

So as to abrogate the decision, without undue delay, of the California Supreme Court in People v. Fritz, 40 Cal. 3d 227, which held on October 28, 1985, that a judge has discretion under Section 1385 of the Penal Code to strike a previous conviction of serious felonies, as defined, under Section 667 of the Penal Code and, therefore, may limit the imposition of enhancements in the sentencing of those convicted felons, it is necessary that this act go into immediate effect.

CHAPTER 86

An act to amend Sections 56332, 56335, and 56336 of the Government Code, relating to local agencies.

[Approved by Governor May 5, 1986. Filed with Secretary of State May 6, 1986.]

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

SECTION 1. Section 56332 of the Government Code is amended to read:

56332. (a) The commission of any county shall be enlarged by two members if, pursuant to Chapter 5 (commencing with Section 56450), the commission of any county does both of the following:

(1) Orders representation of special districts upon the commission.

(2) Adopts regulations affecting the functions and services of special districts.

In addition to the commission members selected pursuant to Sections 56325, 56329, and 56330, two commission members shall be selected by an independent special district selection committee to represent special districts in the county.

(b) The independent special district selection committee shall consist of the presiding officer of the legislative body of each independent special district. However, if the presiding officer of an independent special district is unable to attend a meeting of the independent special district selection committee, the legislative body of the district may appoint one of its members to attend the meeting of the selection committee in the presiding officer's place. Those districts shall include districts located wholly within the county and those containing territory within the county representing 50 percent or more of the assessed value of taxable

property of the district, as shown on the last equalized county assessment roll. Each member of the committee shall be entitled to one vote for each independent special district of which he or she is the presiding officer. Members representing a majority of the eligible districts shall constitute a quorum.

(c) The executive officer shall call and give written notice of all meetings of the members of the selection committee. A meeting shall be called and held under either of the following circumstances:

(1) Whenever a vacancy exists among the members or alternate members representing independent special districts upon the commission.

(2) Upon receipt of a written request by one or more members of the selection committee representing districts having 10 percent or more of the assessed value of taxable property within the county, as shown on the last equalized county assessment roll.

(d) If the executive officer determines that a meeting of the special district selection committee, for the purpose of selecting the special district representatives or for filling a vacancy, is not feasible, the executive officer may conduct the business of the committee in writing, as provided in this subdivision. The executive officer may call for nominations to be submitted in writing within 30 days. At the end of the nominating period, the executive officer shall prepare and deliver, or send by certified mail, to each independent special district one ballot and voting instructions. The ballot shall include the names of all nominees and the office for which each was nominated. The districts shall return the ballots to the executive officer by the date specified in the voting instructions, which date shall be at least 30 days from the date on which the executive officer mailed the ballots to the districts. Any ballot received by the executive officer after the specified date is invalid. The executive officer shall announce the results of the election within seven days of the specified date.

(e) The selection committee shall appoint two regular members and one alternate member to the commission. The members so appointed shall be elected or appointed special district officers residing within the county but shall not be members of the legislative body of a city or county. If one of the regular district members is absent from a commission meeting or disqualifies himself or herself from participating in a meeting, the alternate district member may serve and vote in place of the regular district member for that meeting. The representation by a regular district member who is a special district officer shall not disqualify, or be cause for disqualification of, the member from acting on a proposal affecting the special district. The special district selection committee may, at the time it appoints a member or alternate, provide that the member or alternate is disqualified from voting on proposals affecting the district of which the member is a representative.

(f) If the office of a regular district member becomes vacant, the alternate member may serve and vote in place of the former regular district member until the appointment and qualification of a regular

district member to fill the vacancy.

SEC. 2. Section 56335 of the Government Code is amended to read:

56335. In each county containing two or more cities, regular and alternate city members to the commission shall be appointed by the city selection committee organized in the county pursuant to and in the manner provided in Article 11 (commencing with Section 50270) of Chapter 1 of Part 1 of Division 1. Regular members of the commission shall be appointed by the city selection committee pursuant to Sections 56325, 56326, and 56327.

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

Except in the case of a member appointed pursuant to subdivision (d) of Section 56326 or subdivision (b) of Section 56327, a city selection committee, may, at the time it appoints a member or alternate, provide that the member or alternate is disqualified from voting on proposals affecting the city which the member or alternate represents.

If the office of a regular city member becomes vacant, the alternate member may serve and vote in place of the former regular city member until the appointment and qualification of a regular city member to fill the vacancy.

SEC. 3. Section 56336 of the Government Code is amended to read:

56336. Each commission may adopt regulations with respect to disqualification of members or alternates from participating in the review of a proposal. In the absence, however, of those regulations, Section 56332 or 56335 shall apply. The representation by a member or alternate of a city or district shall not disqualify, or be cause for disqualification of, the member or alternate from acting on a proposal affecting the city or the district, and any regulation providing for the disqualification of a city or district representative for that reason is null and void.

CHAPTER 87

An act to amend Section 35291 of, and to add Sections 35291.5 and 35291.7 to, the Education Code, relating to schools.

[Approved by Governor May 11, 1986 Filed with Secretary of State May 12, 1986]

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

SECTION 1. Section 35291 of the Education Code is amended to read:

35291. The governing board of any school district shall prescribe rules not inconsistent with law or with the rules prescribed by the State Board of Education, for the government and discipline of the schools under its jurisdiction. The governing board of each school district which maintains any of grades 1 through 12, inclusive, shall, at the time and in the manner prescribed by Sections 48980 and 48981, notify the parent or guardian of all pupils registered in schools of the district of the availability of rules of the district pertaining to student discipline.

SEC. 2. Section 35291.5 is added to the Education Code, to read:

35291.5. (a) On or before December 1, 1987, and at least every four years thereafter, each public school, in accordance with the requirements of this section, shall adopt rules and procedures on school discipline applicable to the school. The school discipline rules and procedures shall be consistent with any applicable policies adopted by the governing board and state statutes governing school discipline. In developing these rules and procedures, each school shall solicit the participation, views, and advice of one representative selected by each of the following groups:

(1) Parents.

(2) Teachers.

(3) School administrators.

(4) School security personnel, if any.

(5) For junior high schools and high schools, pupils enrolled in the school.

Meetings for the development of the rules and procedures should be developed and held within the school's existing resources, during nonclassroom hours, and on normal schooldays.

The final version of the rules and procedures on school discipline with attendant regulations shall be adopted by a panel comprised of the principal of the school, or his or her designee, and a representative selected by classroom teachers employed at the school.

It shall be the duty of each employee of the school to enforce the rules and procedures on school discipline adopted under this section.

(b) The governing board of each school district shall prescribe procedures to provide written notice to continuing pupils at the

beginning of each school year and to transfer pupils at the time of their enrollment in the school and to their parents or guardians regarding the school discipline rules and procedures adopted pursuant to subdivision (a).

(c) Each school shall file a copy of its school discipline rules and procedures with the district superintendent of schools and governing board on or before January 1, 1988.

(d) The governing board may review, at an open meeting, the approved school discipline rules and procedures for consistency with governing board policy and state statutes.

SEC. 2.5. Section 35291.7 is added to the Education Code, to read:

35291.7. Additional employees may not be hired and substitute teachers may not be utilized in order to comply with the requirements of Sections 35291 and 35291.5.

SEC. 3. No reimbursement shall be made from the State Mandates Claims Fund pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code for costs mandated by the state pursuant to this act. It is recognized, however, that a local agency or school district may pursue any remedies to obtain reimbursement available to it under Part 7 (commencing with Section 17500) and any other provisions of law.

CHAPTER 88

An act to amend Section 86 of the Code of Civil Procedure, relating to courts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 13, 1986. Filed with Secretary of State May 13, 1986.]

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

SECTION 1. Section 86 of the Code of Civil Procedure is amended to read:

86. (a) Each municipal and justice court has original jurisdiction of civil cases and proceedings as follows:

(1) In all cases at law in which the demand, exclusive of interest, or the value of the property in controversy amounts to twenty-five thousand dollars ($25,000) or less, except cases which involve the legality of any tax, impost, assessment, toll, or municipal fine, except the courts have jurisdiction in actions to enforce payment of delinquent unsecured personal property taxes if the legality of the tax is not contested by the defendant.

(2) In actions for dissolution of partnership where the total assets of the partnership do not exceed twenty-five thousand dollars ($25,000); in actions of interpleader where the amount of money or the value of the property involved does not exceed twenty-five

thousand dollars ($25,000).

(3) In actions to cancel or rescind a contract when the relief is sought in connection with an action to recover money not exceeding twenty-five thousand dollars ($25,000) or property of a value not exceeding twenty-five thousand dollars ($25,000), paid or delivered under, or in consideration of, the contract; in actions to revise a contract where the relief is sought in an action upon the contract if the court otherwise has jurisdiction of the action.

(4) In all proceedings in forcible entry or forcible or unlawful detainer:

(A) In actions to recover possession of real property where rent is charged, and the amount of the last rental charged is one thousand dollars ($1,000) per month or less, and the whole amount of damages claimed is twenty-five thousand dollars ($25,000) or less.

(B) In all other actions to recover possession of real property where the rental value is one thousand dollars ($1,000) per month or less, and the whole amount claimed is twenty-five thousand dollars ($25,000) or less.

(5) In all actions to enforce and foreclose liens on personal property where the amount of the liens is twenty-five thousand dollars ($25,000) or less.

(6) In all actions to enforce and foreclose liens of mechanics, materialmen, artisans, laborers, and of all other persons to whom liens are given under the provisions of Chapter 2 (commencing with Section 3109) of Title 15 of Part 4 of Division 3 of the Civil Code, or to enforce and foreclose an assessment lien on a condominium created pursuant to Section 1356 of the Civil Code, where the amount of the liens is twenty-five thousand dollars ($25,000) or less. However, where an action to enforce the lien is pending in a municipal or justice court, and affects property which is also affected by a similar action pending in a superior court, or where the total amount of the liens sought to be foreclosed against the same property by action or actions in a municipal or justice court aggregates an amount in excess of twenty-five thousand dollars ($25,000) the municipal or justice court in which any such action, or actions, is, or are, pending, upon motion of any interested party, shall order the action or actions pending therein transferred to the proper superior court. Upon the making of the order, the same proceedings shall be taken as are provided by Section 399 with respect to the change of place of trial.

(7) In actions for declaratory relief when brought by way of cross-complaint as to a right of indemnity with respect to the relief demanded in the complaint or a cross-complaint in an action or proceeding otherwise within the jurisdiction of the municipal or justice court.

(8) To issue temporary restraining orders and preliminary injunctions, to take accounts, and to appoint receivers where necessary to preserve the property or rights of any party to an action of which the court has jurisdiction; to appoint a receiver and to make

any order or perform any act, pursuant to Title 9 (commencing with Section 680.010) of Part 2 (enforcement of judgments); to determine title to personal property seized in an action pending in such court.

(9) In all actions under Article 3 (commencing with Section 708.210) of Chapter 6 of Division 2 of Title 9 of Part 2 for the recovery of an interest in personal property or to enforce the liability of the debtor of a judgment debtor where the interest claimed adversely is of a value not exceeding twenty-five thousand dollars ($25,000) or the debt denied does not exceed twenty-five thousand dollars ($25,000).

(10) In all arbitration-related petitions filed pursuant to Article 2 (commencing with Section 1292) of Chapter 5 of Title 9 of Part 3, except for uninsured motorist arbitration proceedings in accordance with Section 11580.2 of the Insurance Code, if the petition is based upon the subject matter of a pending action properly filed in the municipal court.

(b) Each municipal and justice court has jurisdiction of cases in equity as follows:

(1) In all cases to try title to personal property when the amount involved is not more than twenty-five thousand dollars ($25,000).

(2) In all cases when equity is pleaded as a defensive matter in any case otherwise properly pending in a municipal or justice court.

(3) To vacate a judgment or order of such municipal or justice court obtained through extrinsic fraud, mistake, inadvertence, or excusable neglect.

(c) In any action that is otherwise within its jurisdiction, the court may impose liability whether the theory upon which liability is sought to be imposed involves legal or equitable principles.

(d) Changes in the jurisdictional ceilings made by amendments to this section at the 1977–78 Regular Session or the 1985–86 Regular Session of the Legislature shall not constitute a basis for the transfer to another court of any case pending at the time such changes become operative.

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

In order to exclude uninsured motorist arbitration proceedings from the jurisdiction of municipal courts and justice courts at the earliest possible time it is necessary that this act take effect immediately.

CHAPTER 89

An act to amend Sections 1137 and 1178 of, to add Section 1137.1 to, and to repeal and add Section 1221 of, the Unemployment Insurance Code, relating to unemployment, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 13, 1986. Filed with Secretary of State May 13, 1986.]

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

SECTION 1. Section 1137 of the Unemployment Insurance Code is amended to read:

1137. (a) If the director finds, in accordance with Section 1137.1, that the collection of any contributions will be jeopardized by delay the director shall thereupon make an assessment of those contributions, served pursuant to Section 1206, noting upon the assessment that it is a jeopardy assessment levied under this section and the facts upon which the director finds that collection of contributions will be jeopardized by delay. The amount of the assessment shall be immediately delinquent, whether or not the time otherwise allowed by law or authorized regulations has expired. When applicable, the penalties provided in Sections 1126, 1127, and 1128, and interest under Section 1129, shall attach to the amount of the contributions specified in the jeopardy assessment. Penalties under Section 1135 shall apply if payment is not made, or security for payment is not provided, within 30 days of service of a jeopardy assessment.

(b) In levying the assessment, the director may demand a deposit of such security as the director deems necessary to ensure compliance with this division, including additional security from time to time, but not more frequently than monthly, in the amount of accumulating interest. The deposit of sufficient security to ensure compliance shall stay other collection action by the director while the assessment is under review. The deposit of the sufficient security shall not be a condition for the exercise of the review and appeal rights of the employer pursuant to Sections 1221, 1222, 1223, and 1224. The filing of a petition for reassessment pursuant to Section 1221 shall not stay collection action by the director while the assessment is under review, but shall stay the sale of all property other than perishable goods seized by the director pursuant to the collection action until a final decision from a preliminary hearing pursuant to subdivision (b) of Section 1221 is issued by the administrative law judge or the board.

SEC. 2. Section 1137.1 is added to the Unemployment Insurance Code, to read:

1137.1. A jeopardy assessment may be made only upon a finding by the director, based upon probable cause, that any of the following

conditions are met:

(a) The employing unit is insolvent.

(b) The employing unit has transferred, or is about to transfer, assets for less than fair market value, and by so doing has rendered, or is likely to render, itself insolvent.

(c) The employing unit has been dissolved.

(d) Any person liable for the employing unit's contribution, or any owner, officer, director, partner, or other person having charge of the affairs of the employing unit has departed or is about to depart the State of California and that the departure is likely to deprive the director of a source of payment of the employing unit's contribution.

(e) Any person referred to in subdivision (d), or the employing unit, is secreting assets or is moving, placing, or depositing assets outside of the state for the purpose of interfering with the orderly collection of any contribution. The moving, placing, or depositing of assets outside of the state which constitutes a regular business practice and which does not in any way deplete the assets of the employing unit shall not be deemed to be interfering with the orderly collection of any contribution under this subdivision.

SEC. 3. Section 1178 of the Unemployment Insurance Code is amended to read:

1178. (a) A claim for refund or credit may be filed with the director for any overpayment including, but not limited to, amounts paid subsequent to the filing for record of a certificate under Section 1703 or the entry of a judgment under Section 1815.

(b) No refund shall be made or credit allowed unless a claim therefor is filed with the director within three years from the last day of the calendar month following the close of the calendar quarter for which the overpayment was made or within six months after assessments made under Article 8 (commencing with Section 1126) of this chapter become final or within 60 days from the date of overpayment, whichever period expires the later, but prior to the expiration of such periods even though no claim is filed the director on his own initiative shall make refunds pursuant to Section 1177 or may allow credits.

(c) No refund of employer or worker contributions, penalties or interest shall be made or credit for worker contributions allowed unless the employing unit conforms, within one year after the allowance of credit or approval of the claim for refund, to authorized regulations with respect to the refund to workers entitled thereto of any money deducted by the employing unit under Section 984.

(d) Following a final decision denying a petition for reassessment pursuant to Article 11 (commencing with Section 1221), the employing unit or other person which was a party to the petition may file a claim for refund upon payment of the amount of the assessment, including interest and penalties, and thereafter may pursue all administrative and judicial review rights accorded in Article 11 (commencing with Section 1221) and Article 12 (commencing with Section 1241).

SEC. 4. Section 1221 of the Unemployment Insurance Code is repealed.

SEC. 5. Section 1221 is added to the Unemployment Insurance Code, to read:

1221. (a) Within 10 working days of notice of an assessment pursuant to Section 1137, the employer may file a petition for reassessment of the jeopardy assessment pursuant to Section 1222.

(b) Within five days of receiving a petition for reassessment pursuant to subdivision (a), the board shall notify the employer of the date and time of a preliminary hearing to determine the reasonableness of levying the assessment pursuant to Section 1137. The preliminary hearing shall be held before an administrative law judge and scheduled not less than 10 nor more than 20 days from the filing of the petition for reassessment. The administrative law judge shall issue a decision within 10 days of the scheduled hearing date. The date scheduled for the preliminary hearing may be continued by the administrative law judge upon the request of the employer and the director.

(c) The burden of proof on the issue of the reasonableness of levying the assessment pursuant to Section 1137 shall be on the director. In determining the reasonableness of levying the assessment pursuant to Section 1137 at the preliminary hearing, the administrative law judge shall consider and make findings on whether the director had probable cause under Section 1137.1 to levy the assessment pursuant to Section 1137. If the administrative law judge or the board, on appeal from an administrative law judge's decision, decides that the assessment should not have been levied under Section 1137, the assessment shall automatically become, and shall have the effect of, an assessment pursuant to Section 1126 or 1127, whichever is applicable. If the administrative law judge or the board decides that the assessment was properly levied under Section 1137, this decision shall be incorporated in any decision rendered following the hearing pursuant to subdivision (d). The board shall expedite any appeal from an administrative law judge's decision on a preliminary hearing.

(d) All other issues raised by a petition for reassessment filed pursuant to subdivision (a), including, but not limited to, the appropriateness of the amount assessed, shall be determined at a hearing scheduled and held pursuant to Sections 1223 and 1224.

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

In order to make essential changes to unemployment compensation benefit provisions, and to facilitate the orderly administration of the unemployment compensation system as soon as possible, it is necessary that this act go into immediate effect.

CHAPTER 90

An act to add Section 17913 to the Health and Safety Code, relating to building standards.

[Approved by Governor May 13, 1986. Filed with Secretary of State May 13, 1986.]

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

SECTION 1. Section 17913 is added to the Health and Safety Code, to read:

17913. (a) The department shall notify the entities listed in subdivision (c) of the dates that each of the uniform codes described in paragraphs (1) to (5), inclusive, of subdivision (a) of Section 17922 are published by the specified organizations and the dates the codes are approved by the State Building Standards Commission pursuant to Section 18930 or the dates the codes are considered to be adopted pursuant to subdivision (a) of Section 17922.

(b) The department may publish information bulletins regarding code enforcement as emergencies occur or at any other time the department determines appropriate.

(c) The department shall distribute the information described in subdivision (a), and may distribute the information described in subdivision (b), to the following entities:

(1) The building department in each county and city.

(2) Housing code officials, fire service officials, professional associations concerned with building standards, and any other persons or entities the department determines appropriate.

CHAPTER 91

An act to amend Sections 10232.5 and 10241 of the Business and Professions Code, relating to loans.

[Approved by Governor May 13, 1986 Filed with Secretary of State May 13, 1986.]

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

SECTION 1. The Legislature hereby finds and declares that the disclosure of information to a prospective lender is an important and integral part of the process of arranging a loan and that the existence of liens which will be junior to the lien securing the loan being arranged should be clearly disclosed. It is the intent of the Legislature in enacting this act to require disclosure of junior liens of which the loan broker has actual knowledge.

SEC. 2. Section 10232.5 of the Business and Professions Code is

amended to read:

10232.5. (a) If the real estate broker is performing acts described in subdivision (d) of Section 10131 in negotiating a loan to be secured by a lien on real property or on a business opportunity, the statement required to be given to the prospective lender shall include, but shall not necessarily be limited to, the following information:

(1) Address or other means of identification of the real property that is to be the security for the borrower's obligation.

(2) Estimated fair market value of the securing property, and, if the broker is relying on an appraisal in estimating the fair market value, the date that the appraisal was made and the name and employment of the person who made the appraisal.

(3) Age, size, type of construction and a description of improvements to the property if contained in the appraisal or as represented to the broker by the prospective borrower.

(4) Identity, occupation, employment, income, and credit data about the prospective borrower or borrowers as represented to the broker by the prospective borrower or borrowers.

(5) Terms of the promissory note to be given to the lender.

(6) Pertinent information concerning all encumbrances which constitute liens against the securing property and, to the extent of actual knowledge of the broker, pertinent information about other loans that the borrower expects or anticipates will result in a lien being recorded against the property securing the promissory note to be created in favor of the prospective lender.

As used in this paragraph, actual knowledge with repect to any anticipated or expected loan, means knowledge gained by the broker through arranging such other loan or receipt of written notification of such other loan.

(7) Provisions for servicing of the loan, if any, including disposition of the late charge and prepayment penalty fees paid by the borrower.

(8) Detailed information concerning any proposed arrangement under which the prospective lender along with persons not otherwise associated with him or her will be joint beneficiaries or obligees.

(9) If the solicitation is subject to the provisions of Section 10231.2, a detailed statement of the intended use and disposition of the funds being solicited including an explanation of the nature and extent of the benefits to be directly or indirectly derived by the broker.

(b) If the real estate broker is performing acts described in subdivision (e) of Section 10131 or in Section 10131.1 in negotiating the sale of real property sales contract or promissory note secured directly or collaterally by a lien on real property, the statement required to be given to the prospective purchaser by Section 10232.4 shall include, but shall not necessarily be limited to, the following information:

(1) Address or other means of identification of the real property that is the security for the trustor's or vendee's obligation.

(2) Estimated fair market value of the real property, and if the broker is relying on an appraisal in estimating the fair market value, the date that the appraisal was made and the name and employment of the person who made the appraisal.

(3) Age, size, type of construction and a description of improvements to the real property if known by the broker.

(4) Information available to the broker relative to the ability of the trustor or vendee to meet his or her contractual obligations under the note or contract including the trustor's or vendee's payment history under the note or contract.

(5) Terms of the contract or note including the principal balance owing.

(6) Provisions for servicing of the note or contract, if any, including disposition of late charge, prepayment penalty or other fees or charges paid by the trustor or vendee.

(7) Detailed information concerning any proposed arrangement under which the prospective purchaser along with persons not otherwise associated with him or her will be joint beneficiaries or obligees.

(8) A statement as to whether the dealer is acting as a principal or as an agent in the transaction with the prospective purchaser.

SEC. 3. Section 10241 of the Business and Professions Code is amended to read:

10241. The statement required by Section 10240, the form of which shall be approved by the commissioner, shall set forth separately the following items:

(a) The estimated maximum costs and expenses of making the loan, which are to be paid by the borrower, including but not limited to:

(1) Appraisal fees.
(2) Escrow fees.
(3) Title charges.
(4) Notary fees.
(5) Recording fees.
(6) Credit investigation fees.

If a real estate licensee performs or is to perform any of the services provided for in this subdivision, such licensee shall be entitled to the costs and expenses thereof in addition to the charges provided for in subdivision (b).

(b) The total of the brokerage or commissions contracted for or to be received by the real estate broker for services performed as an agent in negotiating, procuring or arranging the loan or the total of loan origination fees, points, bonuses and other charges in lieu of interest to be received by the broker if he or she elects to act as a lender rather than agent in the transaction.

(c) Any liens against the real property, as disclosed by the borrower, the approximate amount thereof, and whether each lien will remain senior, or will be subordinate, to the lien that will secure the loan.

(d) The estimated amounts to be paid on the order of the borrower, as disclosed by the borrower, including but not limited to:

(1) Fire insurance premiums.

(2) Amounts due on prior liens, including interest or other charges arising in connection with the payment, release, reconveyance, extinction or other removal of record of such prior liens.

(3) Amounts due other creditors.

(4) Assumption, transfer, forwarding and beneficiary statement fees.

(e) The estimated balance of the loan funds to be paid to the borrower after deducting the total of subdivisions (a), (b) and (d).

(f) The principal amount of the loan.

(g) The rate of interest.

(h) The term of the loan, the number of installments, the amount of each installment, and the approximate balance, due at maturity.

(i) A statement containing the name of the real estate broker negotiating the loan, his or her license number, and the address of his or her licensed place of business.

(j) If the broker anticipates that the loan to the borrower may be made wholly or in part from broker-controlled funds, a statement to that effect.

For purposes of this section, broker-controlled funds means funds owned by the broker, by a spouse, child, parent, grandparent, brother, sister, father-in-law, mother-in-law, brother-in-law or sister-in-law of the broker, or by any entity in which the broker alone or together with any of the above relatives of the broker has an ownership interest of greater than 25 percent.

(k) The terms of prepayment privileges, and penalties, if any.

(*l*) A statement that the purchase of credit or credit disability insurance is not required as a condition for the making of the loan.

(m) If the loan is one that is within the limits specified in Section 10245, a certification by the real estate licensee negotiating the loan that the loan is being made in compliance with the provisions of this article.

CHAPTER 92

An act making an appropriation to the Uninsured Employers Fund, relating to workers' compensation, to take effect immediately, usual current expenses.

[Approved by Governor May 13, 1986 Filed with Secretary of State May 13, 1986]

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

SECTION 1. The sum of two million two hundred eighty-seven thousand dollars ($2,287,000) is hereby appropriated from the Employment Development Department Contingent Fund to the Uninsured Employers Fund to overcome estimated deficiencies for the payment of workers' compensation benefits to injured workers for the 1985–86 fiscal year.

SEC. 2. The Director of Finance may withhold authorization for the expenditure of the funds appropriated by Section 1 until the preliminary estimates of the potential deficiencies are verified, and shall authorize the expenditure of the funds only to the extent of the verified deficiencies.

SEC. 3. This act makes an appropriation for the usual current expenses of the state within the meaning of Article IV of the Constitution and shall go into immediate effect.

CHAPTER 93

An act to amend Section 13241 of, to add Section 13242 to, and to repeal Sections 13240, 13242, 13243, and 13245 of, the Health and Safety Code, relating to fire inspections.

[Approved by Governor May 13, 1986. Filed with Secretary of State May 13, 1986.]

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

SECTION 1. Section 13240 of the Health and Safety Code is repealed.

SEC. 2. Section 13241 of the Health and Safety Code is amended to read:

13241. Every local fire enforcing agency shall promptly notify the owner and operator of those hotels, motels, and high rise structures not meeting the State Fire Marshal's regulations and building standards applicable to those occupancies. The owner and operator of those occupancies shall comply with the State Fire Marshal regulations and building standards within a reasonable time as established by the local fire enforcing agency.

SEC. 3. Section 13242 of the Health and Safety Code is repealed.

SEC. 4. Section 13242 is added to the Health and Safety Code, to read:

13242. A local fire enforcing agency may require the owner of any hotel, motel, or high rise structure not brought into compliance with the State Fire Marshal's regulations and building standards within the time established by the agency to post a notice of nonconformance. The notice shall be placed in a conspicuous area of the structure in accordance with regulations adopted by the State

Fire Marshal.

SEC. 5. Section 13243 of the Health and Safety Code is repealed.

SEC. 6. Section 13245 of the Health and Safety Code is repealed.

SEC. 7. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the Legislature finds and declares that there are savings as well as costs in this act which, in the aggregate, do not result in additional net costs.

CHAPTER 94

An act to add Section 1798.57 to the Civil Code, relating to records, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 13, 1986 Filed with Secretary of State May 13, 1986]

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

SECTION 1. Section 1798.57 is added to the Civil Code, to read:

1798.57. Except for disclosures which are otherwise required or permitted by law, the intentional disclosure of medical, psychiatric, or psychological information in violation of the disclosure provisions of this chapter is punishable as a misdemeanor if the wrongful disclosure results in economic loss or personal injury to the individual to whom the information pertains.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

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

Medical and claim files pertaining to a person often contain more privileged, confidential, and personal information than other files necessarily maintained by governmental agencies. It is essential that these records be maintained in a manner consistent with rigid safeguards previously enacted. To assure an individual's inalienable right to privacy and to clearly reaffirm the Legislature's commitment to protecting that right, it is essential that this act take effect immediately.

CHAPTER 95

An act to add Section 503.5 to the Elections Code, relating to elections, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 13, 1986. Filed with Secretary of State April 13, 1986.]

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

SECTION 1. Section 503.5 is added to the Elections Code, to read:

503.5. In the event that the county clerk receives an affidavit of registration that does not include portions of the information for which space is provided, the county clerk or registrar of voters shall apply the following rebuttable presumptions:

(a) If no middle name or initial is shown, it shall be presumed that none exists.

(b) If no occupation is shown, it shall be presumed that the affiant declined to state his or her occupation.

(c) If no party affiliation is shown, it shall be presumed that the affiant has no party affiliation.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the Legislature finds and declares that there are savings as well as costs in this act which, in the aggregate, do not result in additional net costs.

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

In order that this act apply to the June 1986 primary election, it is necessary that this act take effect immediately.

CHAPTER 96

An act to add and repeal Section 17113.5 of the Elections Code, relating to elections, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 19, 1986 Filed with Secretary of State May 20, 1986]

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

SECTION 1. Section 17113.5 is added to the Elections Code, to read:

17113.5. Notwithstanding Sections 2502, 2600, 2650, and 17113 or any other provision of law, if an incumbent sheriff is a candidate for the office of sheriff at an election held with the statewide primary at which candidates for Governor are nominated, and the incumbent sheriff dies after the hour of 12:01 a.m. of the 59th day before the election, at which only one other candidate, excluding any write-in candidates, has qualified to have his or her name placed on the ballot for the office, that election shall not be held, and no votes cast for that office shall be counted. Instead, a special election for the office of sheriff shall be held on the 10th Tuesday preceding the statewide general election.

Candidates at the special election for sheriff shall be nominated in accordance with Chapter 5 (commencing with Section 6400) of Division 6, except that forms for securing signatures in lieu of a filing fee need not be made available until 15 days before the first day for circulating nomination papers, in-lieu-filing-fee petitions shall be filed at least seven days prior to the closing of the nomination period, nomination papers shall be delivered for filing to the county clerk not less than 39 days and not more than 63 days before the special election, any candidate's statement shall be filed with the clerk no later than the 39th day before the special election, and the clerk shall conduct the randomized alphabet drawing under procedures similar to Section 10217 and 10217.5. Any candidate who paid a filing fee in connection with the previously scheduled election shall not be required to pay any additional filing fee but shall be required to file new nomination papers.

Notwithstanding any other provision of law, any statement of an election contest shall be filed within 10 days of the board's declaration of the results.

If no candidate receives a majority of the votes cast for the office of sheriff at the special election, then the two candidates who receive the highest number of votes shall be the only candidates for that office at an ensuing runoff election to be consolidated with the statewide general election following the special election.

Notwithstanding any other provision of law, notice of the runoff election shall be published at least 20 days before the election, and the clerk shall conduct the randomized alphabet drawing under procedures similar to Sections 10217 and 10217.5.

The county clerk shall post and publish a notice that the election for sheriff scheduled for June, 1986, will not be held and that a special election for sheriff will be held on August 26, 1986, with a runoff election on November 4, 1986, if necessary.

This section shall remain in effect only until January 1, 1987, and as of that date is repealed.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because this act is in accordance with the request of a local agency or school district which desired legislative authority to carry out the program specified in this act.

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

An incumbent sheriff suddenly and unexpectedly has died before the June 3, 1986, election. Only one other candidate's name will appear on the ballot. Other qualified candidates did not declare their candidacies because the incumbent sheriff was seeking reelection. It is necessary to cancel the upcoming election and hold a special election in November, 1986, so that voters will have a full and fair opportunity to select their sheriff from the broadest field of qualified candidates possible.

CHAPTER 97

An act to amend Section 48980 of, and to add Sections 48206.3, 48206.5, 48207, and 48208 to, the Education Code, relating to compulsory education, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 20, 1986 Filed with Secretary of State May 20, 1986.]

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

SECTION 1. Section 48206.3 is added to the Education Code, to read:

48206.3. (a) Except for those pupils receiving individual instruction provided pursuant to Section 48206.5, a pupil with a temporary disability which makes attendance in the regular day classes or alternative education program in which the pupil is enrolled impossible or inadvisable shall receive individual instruction provided by the district in which the pupil is deemed to reside pursuant to Section 48207.

(b) For purposes of this section and Sections 48206.5, 48207, and 48208, the following terms have the following meanings:

(1) "Individual instruction" means instruction provided to an individual pupil in a hospital or other residential health facility, excluding state hospitals, the pupil's home, or under other circumstances prescribed by regulations adopted for that purpose by the State Board of Education.

(2) "Temporary disability" means a physical, mental, or emotional disability incurred while a pupil is enrolled in regular day classes or an alternative education program, and after which the pupil can reasonably be expected to return to regular day classes or the alternative education program without special intervention. A temporary disability shall not include a disability for which a pupil is identified as an individual with exceptional needs pursuant to

Section 56026.

(c) (1) For purposes of computing average daily attendance pursuant to Section 42238.5, each clock hour of teaching time devoted to individual instruction shall count as one day of attendance.

(2) No pupil shall be credited with more than five days of attendance per calendar week, or more than the total number of calendar days that regular classes are maintained by the district in any fiscal year.

(d) Notice of the availability of individualized instruction shall be given pursuant to Section 48980.

SEC. 2. Section 48206.5 is added to the Education Code, to read:

48206.5. Any school district which, prior to January 1, 1986, maintained a program to provide individual instruction to pupils enrolled in regular day classes or an alternative education program offered by the district who have a temporary disability may continue the program as it existed prior to January 1, 1986.

SEC. 3. Section 48207 is added to the Education Code, to read:

48207. Notwithstanding Section 48200, a pupil with a temporary disability who is in a hospital or other residential health facility, excluding a state hospital, which is located outside of the school district in which the pupil's parent or guardian resides shall be deemed to have complied with the residency requirements for school attendance in the school district in which the hospital is located.

SEC. 4. Section 48208 is added to the Education Code, to read:

48208. (a) It shall be the primary responsibility of the parent or guardian of a pupil with a temporary disability to notify the school district in which the pupil is deemed to reside pursuant to Section 48207 of the pupil's presence in a qualifying hospital.

(b) Upon receipt of notification pursuant to subdivision (a), a school district shall do all of the following:

(1) Within five working days of receipt of the notification, determine whether the pupil will be able to receive individualized instruction, and, if the determination is positive, when the individualized instruction may commence. Individualized instruction shall commence no later than five working days after the positive determination has been rendered.

(2) Provide the pupil with individualized instruction pursuant to Section 48206.3. The school district may enter into an agreement with the school district in which the pupil previously attended regular day classes or an alternative education program, to have the school district the pupil previously attended provide the pupil with individualized instruction pursuant to Section 48206.3.

(3) Within five working days of the commencement of individualized instruction, provide the school district in which the pupil previously attended regular day classes or an alternative education program with written notice that the pupil shall not be counted by that district for purposes of computing average daily

attendance pursuant to Section 42238.5, effective the date on which individualized instruction commenced.

SEC. 5. Section 48980 of the Education Code is amended to read:

48980. (a) At the beginning of the first semester or quarter of the regular school term, the governing board of each school district shall notify the parent or guardian of its minor pupils regarding the right or responsibility of the parent or guardian under Sections 32390, 46014, 48205, 48207, 48208, 49403, 49423, 49451, 49472, 51240, and 51550, and Article 3 (commencing with Section 56030) of Chapter 1 of Part 30.

(b) The notification shall also advise the parent or guardian of the availability of individualized instruction as prescribed by Section 48206.3, and of the program prescribed by Article 9 (commencing with Section 49510) of Chapter 9.

SEC. 6. No reimbursement shall be made from the State Mandates Claims Fund pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code for costs mandated by the state pursuant to this act. It is recognized, however, that a local agency or school district may pursue any remedies to obtain reimbursement available to it under Part 7 (commencing with Section 17500) and any other provisions of law.

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

In order to ensure that there is no delay in providing appropriate educational services to pupils with temporary disabilities, it is necessary that this act take effect immediately.

CHAPTER 98

An act to amend Section 11000.1 of the Business and Professions Code, relating to real estate.

[Approved by Governor May 20, 1986. Filed with Secretary of State May 20, 1986]

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

SECTION 1. Section 11000.1 of the Business and Professions Code is amended to read:

11000.1. (a) "Subdivided lands" and "subdivision," as defined by Sections 11000, 11000.5, and 11004.5, also includes improved or unimproved land or lands, lot or lots, or parcel or parcels, of any size, in which, for the purpose of sale or lease or financing, whether immediate or future, five or more undivided interests are created or are proposed to be created.

(b) This section shall not apply to the creation or proposed

creation of undivided interests in land if any one of the following conditions exist:

(1) The undivided interests are held or to be held by persons related one to the other by blood or marriage.

(2) The undivided interests are to be purchased and owned solely by persons who present evidence satisfactory to the Real Estate Commissioner that they are knowledgeable and experienced investors who comprehend the nature and extent of the risks involved in the ownership of these interests. The Real Estate Commissioner shall grant an exemption from the provisions of this part if the undivided interests are to be purchased by no more than 10 persons, each of whom furnishes a signed statement to the commissioner that he (1) is fully informed concerning the real property to be acquired and his interest therein including the risks involved in ownership of undivided interests, and (2) is purchasing the interest or interests for his own account and with no present intention to resell or otherwise dispose of the interest for value, and (3) expressly waives protections afforded to a purchaser by the provisions of this part.

(3) The undivided interests are created as the result of a foreclosure sale.

(4) The undivided interests are created by a valid order or decree of a court.

(5) The offering and sale of the undivided interests have been expressly qualified by the issuance of a permit from the California Commissioner of Corporations pursuant to the Corporate Securities Act.

(6) The real property is offered for sale as a time-share project as defined in Section 11003.5.

CHAPTER 99

An act to amend Section 2 of Chapter 1313 of the Statutes of 1985, relating to transportation.

[Approved by Governor May 20, 1986 Filed with Secretary of State May 20, 1986.]

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

SECTION 1. Section 2 of Chapter 1313 of the Statutes of 1985 is amended to read:

Sec. 2. (a) There is hereby created the Los Angeles-San Diego State Rail Corridor Study Group. The group shall be chaired by the Director of Transportation or a designee of the director.

(b) The following may each appoint a representative to the group:

(1) The Los Angeles County Transportation Commission.

(2) The Orange County Transportation Commission.
(3) The Southern California Association of Governments.
(4) The San Diego Association of Governments.
(5) The Speaker of the Assembly.
(6) The Senate Committee on Rules.
(7) The National Railroad Passenger Corporation (Amtrak).
(8) The Atchison, Topeka and Santa Fe Railway Company.
(9) The Federal Railroad Administration.
(10) The Secretary-Treasurer of the California Labor Federation.

This representative to the group shall be a resident of the County of Los Angeles, Orange, or San Diego; currently employed in one of the crafts engaged in the operation of the National Railroad Passenger Corporation trains in the Los Angeles-San Diego corridor; and a representative of a group of employees so engaged.

(c) The group shall develop a program of incremental upgrading of the rail corridor and, in this connection, shall do all of the following:

(1) Identify improvements on the line that will reduce train running times, increase reliability of service, and facilitate additional frequencies for both intercity and commuter service, while maintaining capacity for current freight operations.

(A) Review existing studies of the rail transportation needs of the corridor.

(B) Survey present utilization of facilities for rail travel within the corridor.

(2) Develop criteria to determine priorities of these improvements on a cost-benefit basis, and analyze and make recommendations of the feasible alternative modes of rail transportation.

(3) Investigate the feasibility of public acquisition of all or part of the line to preserve rail passenger and transit service.

(4) Establish an implementation and funding plan.

(d) The group shall prepare and submit to the Legislature a report of its findings and recommendations to the Legislature on or before June 30, 1987.

CHAPTER 100

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

[Approved by Governor May 21, 1986. Filed with Secretary of State May 22, 1986.]

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

SECTION 1. The Legislature finds and declares all of the following:

(a) That the County of San Diego has entered into an agreement whereby it has acquired a three-fifths interest in park property known as Holmwood Canyon. The remainder of this property may be acquired for eight hundred thousand dollars ($800,000). Terms of the agreement require the county to pay an additional one hundred thousand dollars ($100,000) if the acquisition is not completed by June 1, 1986. The county cannot complete this purchase without state financial assistance.

(b) That the acquisition of the Holmwood Canyon property qualifies under the California Environmental Protection Program for state financial assistance under the program. The Secretary of the Resources Agency has included the Holmwood Canyon project as one of the projects recommended for funding in the Governor's Budget for 1986–87 fiscal year. Eight hundred thousand dollars ($800,000) of state financial assistance is recommended and is presently available for appropriation from the California Environmental License Plate Fund.

SEC. 2. Notwithstanding Section 21191 of the Public Resources Code, the sum of eight hundred thousand dollars ($800,000) is hereby appropriated from the California Environmental License Plate Fund to the State Coastal Conservancy for allocation to the County of San Diego for the acquisition of the park property known as Holmwood Canyon.

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

In order to allow the County of San Diego to complete acquisition of Holmwood Canyon property prior to June 1, 1986, and to save one hundred thousand dollars ($100,000) in acquisition costs, it is necessary that this act take effect immediately.

CHAPTER 101

An act to add and repeal Section 19549.8 of the Business and Professions Code, relating to horseracing, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 21, 1986. Filed with Secretary of State May 22, 1986.]

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

SECTION 1. Section 19549.8 is added to the Business and Professions Code, to read:

19549.8. Notwithstanding Section 19414.5, the board may allocate racing weeks consisting of four or more racing days to an association conducting racing meetings pursuant to Section 19549.1, 19549.6, or 19549.7 if the association and the organization representing the horsemen agree to the allocation.

This section shall remain in effect only until January 1, 1989, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1989, deletes or extends that date.

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

In order to continue to provide horseracing meetings that will maximize revenues to the state, it is necessary that this act take effect immediately.

CHAPTER 102

An act to amend Section 2416 of the Vehicle Code, relating to vehicles.

[Approved by Governor May 22, 1986. Filed with Secretary of State May 22, 1986]

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

SECTION 1. Section 2416 of the Vehicle Code is amended to read:

2416. (a) The Commissioner of the California Highway Patrol may issue authorized emergency vehicle permits only for the following vehicles, and then only upon a finding in each case that the vehicle is used in responding to emergency calls for fire or law enforcement or for the immediate preservation of life or property or for the apprehension of law violators:

(1) Any vehicle maintained in whole or in part by the state, a county or a city and privately owned and operated by a constable, deputy constable, marshal, deputy marshal, or person who is a member of, and who receives salary from, and is regularly employed by, a police department or sheriff's department, provided the state, county or city does not furnish to that person a publicly owned authorized emergency vehicle.

(2) Any vehicle owned and operated by a public utility, used primarily to accomplish emergency repairs to utility facilities or used primarily by railroad policemen, who are commissioned by the

Governor, in the performance of their duties.

(3) Firefighting or rescue equipment designed and operated exclusively as such.

(4) Any vehicle operated by the chief, assistant chief, or one other uniformed person designated by the chief of a fire department organized as provided in the Health and Safety Code or the Government Code or pursuant to special act of the Legislature.

(5) Any vehicle of an air pollution control district used to enforce provisions of law relating to air pollution from motor vehicles.

(6) Any vehicle operated by the chief of any fire department established on any base of the armed forces of the United States.

(7) Any vehicle owned and operated by any fire company organized pursuant to Part 4 (commencing with Section 14825) of the Health and Safety Code.

(8) Privately owned ambulances licensed pursuant to Chapter 2.5 (commencing with Section 2500).

(9) Vehicles other than privately owned ambulances used by privately owned ambulance operators exclusively to transport medical supplies, lifesaving equipment, or personnel to the scene of an emergency when a request for medical supplies, lifesaving equipment, or personnel has been made by any person or public agency responsible for providing emergency medical transportation. These vehicles shall display a sign or lettering not less than two and one-half inches in height, in a color providing a sharp contrast to its background, on each side showing the name of the ambulance operator.

(b) The commissioner may adopt and enforce regulations to implement this section.

(c) Violation of any regulation adopted by the commissioner pursuant to this section is a misdemeanor.

CHAPTER 103

An act to amend Section 3524 of the Government Code, relating to state employer-employee relations.

[Approved by Governor May 22, 1986. Filed with Secretary of State May 22, 1986]

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

SECTION 1. Section 3524 of the Government Code is amended to read:

3524. This chapter shall be known and may be cited as the Ralph C. Dills Act.

CHAPTER 104

An act to add Section 1102 to the Public Utilities Code, relating to electrical corporations.

[Approved by Governor May 23, 1986 Filed with Secretary of State May 27, 1986]

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

SECTION 1. Section 1102 is added to the Public Utilities Code, to read:

1102. (a) Notwithstanding any other provision of this article, and in addition to the requirements of Article 1 (commencing with Section 1001), an electrical corporation proposing to construct an electrical transmission line to the northwestern United States shall provide the commission with sufficient reliable information to enable the commission to determine that the proposed line, at the electric rates expected to prevail over the useful life of the line, will be cost effective. The commission, in its analysis of the forecast cost of electricity, shall take into consideration the recent increases in the charges for purchasing surplus electricity from the northwestern United States, the possibility of future increases in those charges, the feasibility of negotiating long-term contracts under reasonable charges, and the feasibility of purchasing electricity directly from Canada rather than through the Bonneville Power Administration.

(b) The commission shall not issue a certificate of public convenience and necessity unless it is satisfied that the electrical corporation has provided the information described in subdivision (a).

CHAPTER 105

An act to amend Section 8134 of the Streets and Highways Code, relating to separation of grade districts.

[Approved by Governor May 24, 1986. Filed with Secretary of State May 27, 1986.]

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

SECTION 1. Section 8134 of the Streets and Highways Code is amended to read:

8134. The commission is authorized to pay each commissioner an amount not to exceed one hundred dollars ($100) for each meeting of the commission attended by the commissioner, not exceeding two meetings during any one calendar month, together with expenses necessarily incurred by the commissioner in traveling between his or

her place of residence and the place of meeting, and while traveling in connection with the business of the commission, when previously authorized by the commission.

CHAPTER 106

An act to add Section 6512.6 to the Health and Safety Code, relating to sanitary districts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 24, 1986 Filed with Secretary of State May 27, 1986]

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

SECTION 1. Section 6512.6 is added to the Health and Safety Code, to read:

6512.6. Notwithstanding any other provision of law, for the purpose of furnishing water in the district for any present or future beneficial use, the Lost Hills Sanitary District may exercise any of the powers of a county water district, including the power to acquire, operate, finance, and control water rights, works, property, rights, and privileges useful or necessary to convey, supply, store, or make use of water for any useful purpose, all in the same manner as county water districts formed under the County Water District Law (Division 12 (commencing with Section 30000) of the Water Code). However, the Lost Hills Sanitary District shall otherwise continue to be governed in all respects as a sanitary district under the provisions of this part, and the provisions of this section are intended only to vest additional powers in the district which the district may elect to exercise.

SEC. 2. The provisions of Section 1 of this act are necessary because there is no other entity within the territory of the Lost Hills Sanitary District which is willing and able to provide water service for the benefit of the people of the district, and it is necessary to ensure that the Lost Hills Sanitary District is authorized to do any act necessary to furnish sufficient water in the district for any present or future beneficial use. This problem is not common to all districts formed under the Sanitary District Act of 1923. It is therefore hereby declared that a general law cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution and that the enactment of Section 6512.6 of the Health and Safety Code as a special law is necessary for the solution of problems existing in the Lost Hills Sanitary District.

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

In order to authorize the Lost Hills Sanitary District to furnish urgently needed water for municipal purposes at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 107

An act to amend Section 48321 of the Education Code, relating to school attendance.

[Approved by Governor May 24, 1986. Filed with Secretary of State May 27, 1986.]

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

SECTION 1. Section 48321 of the Education Code is amended to read:

48321. (a) A county school attendance review board may be established in each county. The county school attendance review board, if established, shall include, but need not be limited to, a parent and representatives of (1) school districts, (2) the county probation department, (3) the county welfare department, (4) the county superintendent of schools, (5) law enforcement agencies, (6) community-based youth service centers, (7) school guidance personnel, and (8) child welfare and attendance personnel. The school district representatives on the county school attendance review board shall be nominated by the governing boards of school districts and shall be appointed by the county superintendent of schools. All other persons and group representatives shall be appointed by the county board of education.

Where a county school attendance review board exists, the county superintendent of schools shall, at the beginning of each school year, convene a meeting of the county school attendance review board for the purpose of adopting plans to promote interagency and community cooperation and to reduce the duplication of services provided to youth who have serious school attendance and behavior problems.

(b) Local school attendance review boards may include, but need not be limited to, a parent and representatives of (1) school districts, (2) the county probation department, (3) the county welfare department, and (4) the county superintendent of schools, (5) law enforcement agencies, (6) community-based youth service centers, (7) school guidance personnel, and (8) child welfare and attendance personnel. Other persons or group representatives shall be appointed by the county board of education.

(c) The county school attendance review board may elect pursuant to regulations adopted pursuant to Section 48324, one member as chairman with responsibility for coordinating services of the county school attendance review board.

(d) The county school attendance review board may provide for the establishment of local school attendance review boards in any number as shall be necessary to carry out the intent of this article.

(e) In any county in which there is no county school attendance review board, a school district governing board may elect to establish a local school attendance review board, which shall operate in the same manner and have the same authority as a county school attendance review board.

(f) The county school attendance review board may provide consultant services to, and coordinate activities of, local school attendance review boards in meeting the special needs of pupils with school attendance or school behavior problems.

(g) When the county school attendance review board determines that the needs of pupils as defined in this article can best be served by a single board, the county school attendance review board may then serve as the school attendance review board for all pupils in the county, or, upon the request of any school district in the county, the county school attendance review board may serve as the school attendance review board for pupils of that district.

(h) Nothing in this article is intended to prohibit any agreement on the part of counties to provide such services on a regional basis.

CHAPTER 108

An act to add Section 26001.5 to the Government Code, relating to streets and highways, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 24, 1986. Filed with Secretary of State May 27, 1986.]

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

SECTION 1. Section 26001.5 is added to the Government Code, to read:

26001.5. The board may deposit funds that it receives from its grant of a franchise to use the public roads in the general fund of the county.

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

In order to enable counties to maintain the infrastructure that is a part of county government, it is necessary that this act take effect immediately.

CHAPTER 109

An act to amend Section 11519 of the Vehicle Code, relating to motor vehicles.

[Approved by Governor May 28, 1986. Filed with Secretary of State May 28, 1986]

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

SECTION 1. Section 11519 of the Vehicle Code is amended to read:

11519. No vehicle which has been reported dismantled may be subsequently registered until there is submitted to the department with the prescribed bill of sale an appropriate application, official lamp and brake adjustment certificates issued by an official lamp and brake adjusting station licensed by the Department of Consumer Affairs, except that fleet owners of motor trucks of three or more axles which are more than 6,000 pounds unladen weight and truck tractors may instead submit an official lamp and brake certification for their rebuilt vehicle if they operate an inspection and maintenance station licensed by the commissioner pursuant to subdivision (b) of Section 2525, other documents and fees required, and, with respect to any motor vehicle subject to Part 5 (commencing with Section 43000) of Division 26 of the Health and Safety Code, a valid certificate of compliance from a licensed motor vehicle pollution control device installation and inspection station indicating that the vehicle is properly equipped with a motor vehicle pollution control device or devices which are in proper operating condition and which are in compliance with the provisions of Part 5 (commencing with Section 43000) of Division 26 of the Health and Safety Code.

CHAPTER 110

An act to add Section 43017 to the Health and Safety Code, relating to air pollution.

[Approved by Governor May 28, 1986. Filed with Secretary of State May 28, 1986.]

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

SECTION 1. Section 43017 is added to the Health and Safety Code, to read:

43017. The state board may enjoin any violation of any provision of this part, or of any order, rule, or regulation of the state board, in a civil action brought in the name of the people of the State of

California, except that the state board shall not be required to allege facts necessary to show, or tending to show, lack of adequate remedy at law or to show, or tending to show, irreparable damage or loss.

CHAPTER 111

An act to amend Section 48900 of the Education Code, relating to schools.

[Approved by Governor May 28, 1986. Filed with Secretary of State May 28, 1986]

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

SECTION 1. Section 48900 of the Education Code is amended to read:

48900. A pupil shall not be suspended from school or recommended for expulsion unless the superintendent or the principal of the school in which the pupil is enrolled determines that the pupil has:

(a) Caused, attempted to cause, or threatened to cause physical injury to another person.

(b) Possessed, sold, or otherwise furnished any firearm, knife, explosive, or other dangerous object unless, in the case of possession of any such object, the pupil had obtained written permission to possess the item from a certificated school employee, which is concurred in by the principal or the designee of the principal.

(c) Unlawfully possessed, used, sold, or otherwise furnished, or been under the influence of, any controlled substance listed in Chapter 2 (commencing with Section 11053) of Division 10 of the Health and Safety Code, an alcoholic beverage, or an intoxicant of any kind.

(d) Unlawfully offered, arranged, or negotiated to sell any controlled substance listed in Chapter 2 (commencing with Section 11053) of Division 10 of the Health and Safety Code, an alcoholic beverage, or an intoxicant of any kind, and then either sold, delivered, or otherwise furnished to any person another liquid, substance, or material and represented the liquid, substance, or material as a controlled substance, alcoholic beverage, or intoxicant.

(e) Committed robbery or extortion.

(f) Caused or attempted to cause damage to school property or private property.

(g) Stolen or attempted to steal school property or private property.

(h) Possessed or used tobacco, except as provided in Section 48901.

(i) Committed an obscene act or engaged in habitual profanity or vulgarity.

(j) Had unlawful possession of, or unlawfully offered, arranged, or negotiated to sell any drug paraphernalia, as defined in Section 11014.5 of the Health and Safety Code.

(k) Disrupted school activities or otherwise willfully defied the valid authority of supervisors, teachers, administrators, school officials, or other school personnel engaged in the performance of their duties.

(*l*) Knowingly received stolen school property or private property.

No pupil shall be suspended or expelled for any of the acts enumerated unless that act is related to school activity or school attendance. A pupil may be suspended or expelled for acts which are enumerated in this section and related to school activity or attendance which occur at any time, including, but not limited to, any of the following:

(1) While on school grounds.

(2) While going to or coming from school.

(3) During the lunch period whether on or off the campus.

(4) During, or while going to or coming from, a school sponsored activity.

It is the intent of the Legislature that alternatives to suspensions or expulsion be imposed against any pupil who is truant, tardy, or otherwise absent from school activities.

CHAPTER 112

An act to amend Section 48205 of the Education Code, relating to education.

[Approved by Governor May 28, 1986. Filed with Secretary of State May 28, 1986.]

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

SECTION 1. Section 48205 of the Education Code is amended to read:

48205. Notwithstanding Section 48200, a pupil shall be excused from school for justifiable personal reasons, including, but not limited to, an appearance in court, observance of a holiday or ceremony of his or her religion, attendance at religious retreats, or an employment conference, when the pupil's absence has been requested in writing by the parent or guardian and approved by the principal or a designated representative pursuant to uniform standards established by the governing board.

A pupil absent from school under this section shall be allowed to complete all assignments and tests missed during the absence that can be reasonably provided and, upon satisfactory completion, shall be given full credit therefor. The teacher of any class from which a

pupil is absent shall determine, pursuant to the regulations of the governing board of the school district, what assignments the pupil shall make up and in what period of time the pupil shall complete those assignments. The tests and assignments shall be reasonably equivalent to, but not necessarily identical to, the tests and assignments that the pupil missed during the absence.

For purposes of this section, attendance at religious retreats shall not exceed four hours per semester.

CHAPTER 113

An act to amend Sections 213.7, 214.8, and 231 of the Revenue and Taxation Code, relating to taxation.

[Approved by Governor May 28, 1986 Filed with Secretary of State May 28, 1986]

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

SECTION 1. Section 213.7 of the Revenue and Taxation Code is amended to read:

213.7. (a) As used in Section 214, "property used exclusively for religious hospital, scientific or charitable purposes" shall include the property of a volunteer fire department which is used exclusively for volunteer fire department purposes; provided that the department qualifies for exemption either under Section 23701d or 23701f of this code or under Section 501(c)(3) or 501(c)(4) of the Internal Revenue Code of 1954. This section shall not be construed to enlarge the "welfare exemption" to apply to organizations qualified under Section 501(c)(3) or 501(c)(4) of the Internal Revenue Code, but not otherwise qualified for the "welfare exemption" under other provisions of this code.

As used in this section, "volunteer fire department" means any fund, foundation or corporation regularly organized for volunteer fire department purposes, which qualified as an exempt organization on or before January 1, 1969, either under Section 23701d or 23701f of this code or under Section 501(c)(3) or 501(c)(4) of the Internal Revenue Code of 1954, having official recognition and full or partial support of the government of the county, city or district in which such volunteer fire department is located, and which has functions having an exclusive connection with the prevention and extinguishing of fires within the area of the county, city or district extending official recognition for the benefit of the public generally and to lessen the burdens of the entity of government which would otherwise be obligated to furnish such fire protection.

(b) For purposes of subdivision (a), an organization shall not be deemed to be qualified as an exempt organization unless the organization files with the assessor duplicate copies of a valid,

unrevoked letter or ruling from either the Franchise Tax Board, or in the alternative, the Internal Revenue Service, which states that the organization qualifies as an exempt organization under the appropriate provisions of the Bank and Corporation Tax Law or the Internal Revenue Code.

SEC. 2. Section 214.8 of the Revenue and Taxation Code is amended to read:

214.8. (a) Except as provided in Sections 213.7 and 231, the "welfare exemption" shall not be granted to any organization unless it is qualified as an exempt organization under either Section 23701d of this code or Section 501(c)(3) of the Internal Revenue Code of 1954. This section shall not be construed to enlarge the "welfare exemption" to apply to organizations qualified under Section 501(c)(3) of the Internal Revenue Code of 1954 but not otherwise qualified for the "welfare exemption" under other provisions of this code.

The exemption for veterans' organizations shall not be granted to any organization unless it is qualified as an exempt organization under either Section 23701f of this code or under Section 501(c)(4) or 501(c)(19) of the Internal Revenue Code of 1954. This section shall not be construed to enlarge the "veterans' organization exemption" to apply to organizations qualified under Section 501(c)(4) or 501(c)(19) but not otherwise qualified for the "veterans' organization exemption" under other provisions of this code.

(b) For purposes of subdivision (a), an organization shall not be deemed to be qualified as an exempt organization unless the organization files with the assessor duplicate copies of a valid, unrevoked letter or ruling from either the Franchise Tax Board, or in the alternative, the Internal Revenue Service, which states that the organization qualifies as an exempt organization under the appropriate provisions of the Bank and Corporation Tax Law or the Internal Revenue Code.

SEC. 3. Section 231 of the Revenue and Taxation Code is amended to read:

231. (a) Property which is owned by a nonprofit corporation and leased to, and used exclusively by, government for its interest and benefit shall be exempt from taxation within the meaning of "charitable purposes" in subdivision (b) of Section 4 and Section 5 of Article XIII of the Constitution of the State of California if:

(1) All of the provisions of Section 214 are complied with, except subdivision (6). For purposes of subdivision (6) of Section 214, irrevocable dedication to charitable purpose shall be deemed to exist if the lease provides that the property shall be transferred in fee to the entity of government leasing the same upon the sooner of either the liquidation, dissolution, or abandonment of the owner or at the time the last rental payment is made under the provisions of the lease.

(2) All of the provisions of Section 254.5 relating to owners are

complied with, commencing during calendar year 1969.

(3) All of the provisions of Section 214.01 are complied with by March 15, 1970.

(b) As used in this section "property" means:

(1) Any building or structure of a kind or nature which is uniquely of a governmental character and includes, but is not limited to, the following:

(A) City halls.

(B) Courthouses.

(C) Administration buildings.

(D) Police stations, jails, or detention facilities.

(E) Fire stations.

(F) Parks or playgrounds.

(G) Hospitals.

(H) Water systems and waste water facilities.

(I) Toll bridges.

(2) Any other property required for the use and occupation of the buildings and leased to government.

(3) Any possessory interest of the nonprofit corporation in property and in the land upon which the property was constructed and so much of the surrounding land that is required for the use and occupation of the property.

(4) Any building and its equipment in the course of construction on or after the first Monday of March, 1954, together with the land on which it is located as may be required for the use and occupation of the building when such building and equipment is being constructed for the sole purpose of being leased to government to lessen its burden.

"Uniquely of a governmental character" means the property, except hospitals, water systems, waste water facilities and toll bridges, is not intended to produce income or revenue in the form of rents or admission, user or service fees, or charges.

(c) As used in this section "property" does not include any possessory interest of any person or organization not exempt from taxation.

(d) As used in this section "nonprofit corporation" means a community chest, fund, foundation or corporation, not conducted for profit, and no part of the net earnings of which inures to the benefit of any private shareholder or individual and such nonprofit corporation is organized and operated for the sole purpose of leasing property to government and to lessen the burden of government and, in fact, only leases property to government. Such nonprofit corporation shall qualify as an exempt organization either under Section 23701f of this code or Section 501(c)(4) of the Internal Revenue Code of 1954. This subdivision is not intended to enlarge the "welfare exemption" to apply to organizations qualified under Section 501(c)(4) of the Internal Revenue Code of 1954 but not otherwise qualified for the "welfare exemption" under this section. Nonprofit corporations meeting the tests of this subdivision are

deemed to be organized and operated for charitable purposes.

(e) As used in this section "government" means the State of California, a city, city and county, county, public corporation, and a hospital district.

(f) The exemption provided for in this section shall be deemed to be within the "welfare exemption" for purposes of Section 251.

(g) For leases first entered into by and between government and nonprofit corporation on or after January 1, 1969, all requirements of this section shall be met for the property and the nonprofit corporation to qualify for the exemption provided by this section.

(h) For leases first entered into by and between government and nonprofit corporation on or before December 31, 1968, all requirements of this section shall be met except that the last unnumbered paragraph of subdivision (b) shall not apply and for the purposes of subdivision (b) (1) the list of real property qualifying for this exemption includes community recreation buildings or facilities, golf courses, airports, water, sewer and drainage facilities, music centers and their related facilities, and public parking incidental to and in connection with one of the buildings or structures set forth in this section.

(i) Property exempt under this section shall be located within the boundaries of the entity of government leasing the same.

(j) Where the construction has commenced on or after January 1, 1969, improvements shall be advertised and put to competitive bid to qualify for the exemption provided by this section.

(k) For purposes of subdivision (d), a nonprofit corporation shall not be deemed to be qualified as an exempt organization unless the organization files with the assessor duplicate copies of a valid, unrevoked letter or ruling from either the Franchise Tax Board, or in the alternative, the Internal Revenue Service, which states that the organization qualifies as an exempt organization under the appropriate provisions of the Bank and Corporation Tax Law or the Internal Revenue Code.

SEC. 4. The amendments of Sections 213.7, 214.8, and 231 of the Revenue and Taxation Code by Sections 1, 2, and 3 of this act shall be operative for exemption claims filed for the 1987–88 fiscal year and fiscal years thereafter.

CHAPTER 114

An act to amend Section 1280 of the Unemployment Insurance Code, relating to unemployment insurance.

[Approved by Governor May 28, 1986 Filed with Secretary of State May 28, 1986.]

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

SECTION 1. Section 1280 of the Unemployment Insurance Code is amended to read:

1280. (a) An individual's weekly benefit amount is the amount appearing in column B in the following applicable table opposite that wage bracket in column A which contains the amount of wages paid to the individual for employment by employers during the quarter of his or her base period in which his or her wages were the highest.

(b) For new claims filed with an effective date beginning on or after January 1, 1983, the following table shall be applicable under subdivision (a):

A Amount of wages in highest quarter	B Weekly benefit amount
$225.00– 688.99	30
689.00– 714.99	31
715.00– 740.99	32
741.00– 766.99	33
767.00– 792.99	34
793.00– 818.99	35
819.00– 844.99	36
845.00– 870.99	37
871.00– 896.99	38
897.00– 922.99	39
923.00– 948.99	40
949.00– 974.99	41
975.00–1,000.99	42
1,001.00–1,026.99	43
1,027.00–1,052.99	44
1,053.00–1,078.99	45
1,079.00–1,117.99	46
1,118.00–1,143.99	47
1,144.00–1,169.99	48
1,170.00–1,195.99	49
1,196.00–1,221.99	50
1,222.00–1,247.99	51
1,248.00–1,286.99	52
1,287.00–1,312.99	53
1,313.00–1,338.99	54
1,339.00–1,364.99	55

1,365.00–1,403.99	56
1,404.00–1,429.99	57
1,430.00–1,455.99	58
1,456.00–1,494.99	59
1,495.00–1,520.99	60
1,521.00–1,546.99	61
1,547.00–1,585.99	62
1,586.00–1,611.99	63
1,612.00–1,637.99	64
1,638.00–1,676.99	65
1,677.00–1,702.99	66
1,703.00–1,741.99	67
1,742.00–1,767.99	68
1,768.00–1,806.99	69
1,807.00–1,832.99	70
1,833.00–1,871.99	71
1,872.00–1,897.99	72
1,898.00–1,936.99	73
1,937.00–1,975.99	74
1,976.00–2,001.99	75
2,002.00–2,040.99	76
2,041.00–2,066.99	77
2,067.00–2,105.99	78
2,106.00–2,144.99	79
2,145.00–2,170.99	80
2,171.00–2,209.99	81
2,210.00–2,248.99	82
2,249.00–2,287.99	83
2,288.00–2,326.99	84
2,327.00–2,352.99	85
2,353.00–2,391.99	86
2,392.00–2,430.99	87
2,431.00–2,469.99	88
2,470.00–2,508.99	89
2,509.00–2,547.99	90
2,548.00–2,586.99	91
2,587.00–2,625.99	92
2,626.00–2,664.99	93
2,665.00–2,703.99	94
2,704.00–2,742.99	95
2,743.00–2,781.99	96
2,782.00–2,820.99	97
2,821.00–2,859.99	98
2,860.00–2,898.99	99
2,899.00–2,937.99	100
2,938.00–2,989.99	101
2,990.00–3,028.99	102
3,029.00–3,067.99	103
3,068.00–3,106.99	104

3,107.00–3,158.99	105
3,159.00–3,197.99	106
3,198.00–3,236.99	107
3,237.00–3,288.99	108
3,289.00–3,327.99	109
3,328.00–3,379.99	110
3,380.00–3,418.99	111
3,419.00–3,470.99	112
3,471.00–3,509.99	113
3,510.00–3,561.99	114
3,562.00–3,600.99	115
3,601.00–3,652.99	116
3,653.00–3,704.99	117
3,705.00–3,743.99	118
3,744.00–3,795.99	119
3,796.00–3,847.99	120
3,848.00–3,899.99	121
3,900.00–3,938.99	122
3,939.00–3,990.99	123
3,991.00–4,042.99	124
4,043.00–4,079.99	125
4,080.00–4,116.99	126
4,117.00–4,153.99	127
4,154.00–4,190.99	128
4,191.00–4,227.99	129
4,228.00–4,264.99	130
4,265.00–4,301.99	131
4,302.00–4,338.99	132
4,339.00–4,375.99	133
4,376.00–4,412.99	134
4,413.00–4,449.99	135
4,450.00–4,486.99	136
4,487.00–4,523.99	137
4,524.00–4,560.99	138
4,561.00–4,597.99	139
4,598.00–4,634.99	140
4,635.00–4,671.99	141
4,672.00–4,708.99	142
4,709.00–4,745.99	143
4,746.00–4,782.99	144
4,783.00–4,819.99	145
4,820.00–4,856.99	146
4,857.00–4,893.99	147
4,894.00–4,930.99	148
4,931.00–4,967.99	149
4,968.00–5,004.99	150
5,005.00–5,041.99	151
5,042.00–5,078.99	152
5,079.00–5,115.99	153

5,116.00–5,152.99	154
5,153.00–5,189.99	155
5,190.00–5,232.99	156
5,233.00–5,265.99	157
5,266.00–5,298.99	158
5,299.00–5,332.99	159
5,333.00–5,365.99	160
5,366.00–5,398.99	161
5,399.00–5,432.99	162
5,433.00–5,465.99	163
5,466.00–5,498.99	164
5,499.00–5,532.99	165
5,533.00 and over	166

CHAPTER 115

An act to amend Sections 75005, 75030.5, 75030.7, 75030.8, 75030.9, 75032, 75033, 75033.1, 75033.5, 75070, 75071, 75072, 75076, 75093, 75104.4, 75106, 75107, 75109, and 75109.5 of, and to repeal Sections 75034, 75036, and 75060.2 of, the Government Code, relating to the Judges' Retirement System.

[Approved by Governor May 28, 1986. Filed with Secretary of State May 28, 1986.]

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

SECTION 1. Section 75005 of the Government Code is amended to read:

75005. Notwithstanding any other provision of law, this chapter shall be administered and governed by the Board of Administration of the Public Employees' Retirement System in accordance with the Public Employees' Retirement Law to the same extent and with the same effect as if those provisions are contained in the Judges' Retirement Law, except for those provisions which provide for the payment of an allowance or other benefit and except for those provisions which conflict with any provision of the Judges' Retirement Law. "State Controller" or "Controller" as used in this chapter, or any other provision of law relating to the chapter, shall be construed to refer to and mean the "Board of Administration of the Public Employees' Retirement System"; however, the Controller shall continue to perform the duties prescribed in Sections 75092, 75097, 75101, and 75102.

All payments from the Judges' Retirement Fund shall be made upon warrants drawn by the Controller upon demands by the Board of Administration of the Public Employees' Retirement System.

SEC. 2. Section 75030.5 of the Government Code is amended to

read:

75030.5. Any judge who first becomes a judge on or after May 1, 1962, and who has served as an elected state constitutional officer before becoming a judge, or any judge who first became a judge prior to that date who has served as a constitutional officer or as a public legal officer before becoming a judge, has a right to elect, by written election filed with the Judges' Retirement System at any time prior to retirement, to make contributions pursuant to this section for, and receive credit in this system as, service for all or any part of the time he served as such officer, excluding any period of time for which he is receiving, or is entitled to receive, a retirement allowance from any other public retirement system.

As used in this chapter, the term "elected state constitutional officer" means the holder of the office of Member of the Senate or Assembly, Governor, Lieutenant Governor, Secretary of State, Controller, Treasurer, Attorney General, Superintendent of Public Instruction, or member of the State Board of Equalization.

As used in this chapter, the term "constitutional officer" means the holder of an office created by the California Constitution, and "public legal officer" means the holder of any legal office of the state or any agency of the state or of any county or city in the state who is paid a salary or other fixed regular compensation and who is admitted and licensed to practice law in the State of California during the time of holding the office and whose principal duties in the office are legal in nature, such as Attorney General, Legislative Counsel, Commissioner of Corporations, district attorney, county counsel, city attorney, city prosecutor, public defender, or deputy of any such office, or a secretary to the Governor whose duties include the hearing of extradition matters, admitted and licensed to practice law in the State of California during the time of holding the office and whose principal duties in the office are legal in nature.

Every judge electing to receive credit for service pursuant to this section shall at the time of filing his election, and as a condition to receiving such credit, pay into the Judges' Retirement Fund a sum equal to the amount which would have been deducted from his salary and paid into that fund pursuant to Section 75102 had he been a judge during the time for which he elects to receive credit for service, computed by applying the rates of deduction applicable to judges' salaries during such time to the rate of salary he actually received during his first year as a judge, plus interest at 3 percent a year, to the date of his payment, upon the amounts of such deductions and from the respective dates they would have been paid had he been a judge during the time for which he elects to receive credit for service. Such amount and interest shall be determined by the Judges' Retirement System in accordance with this section. Funds transferred to the Judges' Retirement Fund pursuant to Section 9356.5 shall be deducted from such payment. Any funds so transferred which are in excess of the amount required by this section shall be refunded to the judge.

This section shall not apply to any person who, on or after January 1, 1986, first becomes or continues as an elected state constitutional officer, in a term which commences on or after January 1, 1986.

SEC. 3. Section 75030.7 of the Government Code is amended to read:

75030.7. A Member of the Senate or Assembly who is not returned to office, or who chooses not to run, when the Senate or Assembly district, respectively, to which he was last elected, is altered pursuant to a reapportionment of legislative districts other than a decennial reapportionment, and whose contributions as a judge remain on deposit in the fund under Section 75033, shall, during the term of office for which he was elected:

(a) Have a right under Section 75030.5 to elect by written election filed with the Judges' Retirement System at any time prior to his retirement, to make contributions pursuant to Section 75030.5 and to receive credit in this system as service rendered for all or any part of his service as an elected state constitutional officer, or as a public legal officer, as defined in Section 75030.5, either before or after his service as a judge, excluding any period of time for which he is receiving or is entitled to receive a retirement allowance from any other public retirement system. This subdivision shall not apply to any person who, on or after January 1, 1986, first becomes or continues as an elected state constitutional officer, as defined by Section 75030.5, in a term which commences on or after January 1, 1986.

(b) Be retired as a judge under Section 75025 upon attaining, as provided in this section, the age and service requirements specified in that section.

For the purposes of this section, "service as an elected state constitutional officer" shall include all or any portion of the term of office for which he was duly elected as such elected state constitutional officer as specified by law at the time of his election preceding such reapportionment.

SEC. 4. Section 75030.8 of the Government Code is amended to read:

75030.8. A Member of the Senate or Assembly who is not returned to office, or who chooses not to run, when the Senate or Assembly district, respectively, to which he was last elected, is altered pursuant to a reapportionment of legislative districts other than a decennial reapportionment, and whose contributions as a judge remain on deposit in the fund under Section 75033, shall, during the term of office for which he was elected:

(a) Have a right under Section 75030.5 to elect by written election filed with the Judges' Retirement System at any time prior to his retirement, to make contributions pursuant to Section 75030.5 and to receive credit in this system as service rendered for all or any part of his service as an elected state constitutional officer, or as a public legal officer, as defined in Section 75030.5, either before or after his service as a judge, excluding any period of time for which he is

receiving or is entitled to receive a retirement allowance from any other public retirement system. This subdivision shall not apply to any person who, on or after January 1, 1986, first becomes or continues as an elected state constitutional officer, as defined by Section 75030.5, in a term which commences on or after January 1, 1986.

(b) Be retired as a judge under Section 75025 upon attaining, as provided in this section, the age and service requirements specified in that section.

For the purposes of this section, "service as an elected state constitutional officer" shall include all or any portion of the term of office for which he was duly elected as such elected state constitutional officer as specified by law at the time of his election preceding such reapportionment.

SEC. 5. Section 75030.9 of the Government Code is amended to read:

75030.9. A Member of the Senate or Assembly whose contributions as a judge remain on deposit in the fund under Section 75033, shall, during the term of office for which he was elected:

(a) Have a right under Section 75030.5 to elect by written election filed with the Judges' Retirement System at any time prior to his retirement, to make contributions pursuant to Section 75030.5 and to receive credit in this system as service rendered for all or any part of his service as an elected state constitutional officer, or as a public legal officer, as defined in Section 75030.5, either before or after his service as a judge, excluding any period of time for which he is receiving or is entitled to receive a retirement allowance from any other public retirement system. This subdivision shall not apply to any person who, on or after January 1, 1986, first becomes or continues as an elected state constitutional officer, as defined by Section 75030.5, in a term which commences on or after January 1, 1986.

(b) Be retired as a judge under Section 75025 upon attaining, as provided in this section, the age and service requirements specified in that section.

For the purposes of this section, "service as an elected state constitutional officer" shall include all or any portion of the term of office for which he or she was duly elected as such elected state constitutional officer as specified by law at the time of his election.

SEC. 6. Section 75032 of the Government Code is amended to read:

75032. Every judge who has retired or who retires pursuant to Section 75025 before or after September 11, 1957, shall, during the remainder of his or her life, receive an allowance equal to one-half the salary payable, at the time payment of the allowance falls due, to the judge holding the judicial office to which he or she was last appointed or elected by the people. The allowance shall be paid by the state at the times and in the manner provided for the payment of salaries of justices of the Supreme Court.

This amendment to this section enacted by the Legislature at its 1957 Regular Session does not give any retired judge a claim against the state for any increase in retirement allowance or other benefit for time prior to September 11, 1957.

SEC. 7. Section 75033 of the Government Code is amended to read:

75033. Notwithstanding any other provision of this chapter, if the service of a judge, who has been elected or appointed as such, is discontinued by any means other than death, resignation, recall, impeachment, or retirement pursuant to this chapter, he shall have the right to elect in writing filed with the Judges' Retirement System within ninety (90) days thereafter, and without right of revocation, whether to allow his accumulated contributions to remain in the fund. A judge who after the effective date of the 1972 amendments to this section leaves his office to accept any lucrative office under the United States within the purview of Section 7 of Article VII of the Constitution shall not be eligible for deferred retirement under this section. Failure to make such election shall be deemed an irrevocable election to withdraw his accumulated contributions. A judge who so elects to allow his accumulated contributions to remain in the fund shall, upon his application therefor to the Judges' Retirement System be retired, and after attaining age 65 receive a retirement allowance based upon the judicial service with which he is credited, in the same manner as other judges, except that his retirement allowance is an annual amount equal to 5 percent of the compensation payable, at the time payments of the allowance fall due, to the judge holding the office which the retired judge last held prior to the discontinuance of his service as judge, multiplied by the number of years and fractions of years of service with which the retired judge is entitled to be credited at the time of such discontinuance of his service, not to exceed eight years.

This section shall not be applicable to any person who becomes a judge after January 1, 1974.

The amendments to this section during 1977 shall also be applicable to persons who elected to allow their accumulated contributions to remain in the fund prior to January 1, 1978.

SEC. 8. Section 75033.1 of the Government Code is amended to read:

75033.1. Any judge who is removed from office by the Supreme Court shall not receive any of the benefits provided by Section 75033. The amount of his accumulated contributions shall be paid to him by the Judges' Retirement System.

This section shall be applicable only to a person who becomes a judge after the effective date of this section.

SEC. 9. Section 75033.5 of the Government Code is amended to read:

75033.5. Notwithstanding any other provision of this chapter, any judge with at least five years of service, and prior to attaining age 70, may retire, and upon his application therefor to the Judges'

Retirement System after reaching the age which would have permitted him to retire for age and length of service under Section 75025 had he remained continuously in service as a judge up to such age, receive a retirement allowance based upon the judicial service as a judge of a court of record, with which he is credited, in the same manner as other judges, except as otherwise provided by this section the retirement allowance is an annual amount equal to 3.75 percent of the compensation payable, at the time payments of the allowance fall due, to the judge holding the office which the retired judge last held prior to his discontinuance of his service as judge, multiplied by the number of years and fractions of years of service with which the retired judge is entitled to be credited at the time of his retirement, not to exceed 20 years.

If a judge has served more than five years but less than 12 years, the above percentage of compensation payable shall be reduced 0.25 percent for each year that the service of the judge is less than 12 years.

No judge shall be eligible to receive an allowance pursuant to this section until the attainment of age 63 unless the judge is credited with 20 years of judicial service and has attained age 60.

The surviving spouse of any judge who has so elected to retire under this section shall receive for life an allowance equal to one-half of the retirement allowance that would be payable to the judge were he living and receiving the benefits accorded by this section, commencing with the day following the date of the death, if the judge dies after commencement of receipt of benefits, or the date the judge would have been able to commence receipt of benefits but for his death, if his death occurs prior to commencement of receipt of benefits.

An election to retire under this section shall be made in writing and filed with the Judges' Retirement System, and shall be without right of revocation, and upon such filing said judge shall be deemed retired with receipt of benefits deferred until herein provided, and the judicial office from which he has retired shall become vacant. Said notice and election of retirement shall be sufficient if it states in substance that said judge elects to retire under the benefits of this section.

A judge who leaves his office to accept any lucrative office under the United States within the purview of Section 7 of Article VII of the Constitution shall have any benefits receivable hereunder reduced by the amount of any salary or retirement benefits he receives by virtue of his service in such office.

SEC. 10. Section 75034 of the Government Code is repealed.

SEC. 11. Section 75036 of the Government Code is repealed.

SEC. 12. Section 75060.2 of the Government Code is repealed.

SEC. 13. Section 75070 of the Government Code is amended to read:

75070. In lieu of the retirement allowance for his life alone, a judge may elect, or revoke or change a previous election prior to the

approval of the previous election, to have the actuarial equivalent of his retirement allowance as of the date of retirement applied to a lesser retirement allowance, in accordance with one of the optional settlements specified in Section 75071.

That election, revocation, or change of election shall be made by a writing filed with the Judges' Retirement System prior to the making of the first payment on account of any retirement allowance.

SEC. 14. Section 75071 of the Government Code is amended to read:

75071. (a) Optional settlement one consists of the right to have a retirement allowance paid him or her until his or her death and if he or she dies before he or she receives the amount of his or her accumulated contributions at retirement, to have the balance at death paid to his or her surviving spouse or estate.

(b) Optional settlement two consists of the right to have a retirement allowance paid him or her until his or her death and thereafter to his or her surviving spouse for life.

(c) Optional settlement three consists of the right to have a retirement allowance paid him or her until his or her death, and thereafter to have one-half of his or her retirement allowance paid to his or her surviving spouse for life.

(d) Optional settlement four consists of such other benefits as are the actuarial equivalent of his or her retirement allowance, that he or she may select subject to the approval of the Judges' Retirement System.

SEC. 15. Section 75072 of the Government Code is amended to read:

75072. If, during the life of a judge who has elected to receive an optional settlement in lieu of a retirement allowance for his or her life alone, or during the life of a surviving spouse beneficiary under such a settlement upon whose life contingency the optional settlement elected depends, the compensation payable to the judge holding the judicial office to which the retired judge was last appointed or elected by the people prior to his or her retirement is increased, the amounts payable to the retired judge or to his or her beneficiary, or both, shall be recomputed and increased to be the actuarial equivalent of the increased amount of the retirement allowance to which the retired judge would be entitled if he or she had not elected an optional settlement. However, this section does not give any retired judge or his or her beneficiary any claim against the state for any increase in retirement allowance or other benefit for time prior to the increase in the compensation of the incumbent judge.

SEC. 16. Section 75076 of the Government Code is amended to read:

75076. (a) A judge who qualifies, as prescribed in Section 75075, to receive the benefits accorded by this article shall receive a retirement allowance equal to 65 percent of the salary payable, at the time payment of the allowance falls due, to the judge holding the

judicial office to which he was last elected or appointed; except that if upon retirement a judge has received credit for 20 or more years of service rendered prior to the expiration of the time within which the judge is eligible to elect to receive the benefits accorded by this article and for which he has contributed to the Judges' Retirement Fund his retirement allowance shall equal 75 percent of such salary.

(b) Any judge retiring after the effective date of this subdivision who has or shall become entitled to credit for service as a judge of a court of record prior to the inclusion of the judges of such courts, or of all such courts, under the Judges' Retirement Law, or as a "judge of an excluded court" as defined by Section 75029, or as a "constitutional officer" or "public legal officer" as defined by Section 75030.5, without having contributed therefor to the Judges' Retirement Fund, may at any time prior to retirement contribute for all or any part of such service by paying into the fund a sum of money computed by applying to the rate of salary which he actually received during his first year of service as a judge the rate of deduction first applicable to his salary as a judge after the inclusion of the judges of his court under the Judges' Retirement Law, multiplied by the period of service for which contributions are elected to be made, plus interest at 3 percent a year to the date of his payment upon the amounts of such deductions and from the respective dates they would have been made if he had been the holder of a judicial office subject to the provisions of the Judges' Retirement Law at the time of the rendition of the services for which he has received or hereafter receives such credit.

This subdivision shall apply also to any judge who has retired prior to the effective date of this subdivision and subsequent to September 18, 1959, provided such judge shall file his election and make such contribution with respect to prior service, as authorized hereunder, within one year after the effective date of this subdivision. Any change in the retirement benefits to any such judge which results from such contribution on prior service shall become effective and shall accrue from the date of filing such election and payment of such contribution as authorized hereunder.

The amount of any contribution hereunder and interest thereon shall be determined by the Judges' Retirement System in accordance with this subdivision.

(c) If the judge retires pursuant to Section 75025, the allowance is payable during the remainder of his life; if pursuant to Section 75060, it is payable as provided in Section 75060.6.

SEC. 17. Section 75093 of the Government Code is amended to read:

75093. Notwithstanding any other provisions of this article to the contrary, the surviving spouse of any judge who died in office after January 1, 1966 may elect to receive a monthly allowance, equal to 25 percent of the monthly salary payable at the time payment of the allowance falls due, to the judge last holding the judicial office to which the deceased judge was last elected or appointed.

A surviving spouse who receives an allowance under this section, shall have no other claim with respect to the Judges' Retirement Fund or with respect to any other provisions of the Judges' Retirement Law.

If the surviving spouse has received a benefit under Division 4 (commencing with Section 3201) of the Labor Code, on account of the death of such a person, the amount of any such benefit shall be deducted from the allowance payable under this section.

The allowance provided by this section shall be payable commencing with the day following the date of the judge's death.

This section does not apply to the death of any retired judge while serving on assignment in any court.

SEC. 18. Section 75104.4 of the Government Code is amended to read:

75104.4. The surviving spouse of any judge who dies on or after January 1, 1954, but before retirement and after becoming eligible for retirement pursuant to Section 75025 or Section 75033 or who dies on or after January 1, 1954, while serving as judge and has served as a judge for 30 years, shall receive an allowance equal to one-half of the amount of the unmodified retirement allowance that would be payable to the judge were he living and retired under this chapter. The allowance is payable commencing upon the day following the date of the death of the judge and continuing until the death or remarriage of the surviving spouse. If, pursuant to this section, an allowance is paid to the surviving spouse of a judge, no payment shall be made pursuant to Section 75104 or Section 75104.5.

The Legislature hereby finds and declares that the payment of allowances to the surviving spouse of a judge pursuant to this section, as amended at the 1959 Regular Session of the Legislature, serves a public purpose in that it promotes the public welfare by encouraging experienced jurists to continue their service in the expectation that the Legislature will fairly provide for their surviving spouses under changing circumstances, as the Legislature is now doing for spouses of judges who have heretofore died. Continued service by, and increased efficiency of, judges secure in this knowledge will more than compensate the state for any increased expense for allowances to surviving spouses provided by the amendment enacted at the 1959 session of the Legislature.

SEC. 19. Section 75106 of the Government Code is amended to read:

75106. The State Treasurer is the custodian of the Judges' Retirement Fund. At the end of each month the Judges' Retirement System shall ascertain the written notices of voluntary retirement and the written certificates of involuntary retirement which have been filed with the Judges' Retirement System and cause warrants to be drawn upon the State Treasury in favor of each retired judge for the amount of the retirement allowance to which he is entitled.

SEC. 20. Section 75107 of the Government Code is amended to read:

75107. Whenever it appears to the Judges' Retirement System that the money in the Judges' Retirement Fund is insufficient, or is likely to become insufficient, to pay all retirement allowances payable by law to retired judges and all other obligations of the fund which will become payable during the ensuing fiscal year, the Judges' Retirement System shall report such condition of the fund to the Legislature at its next regular session, and upon receipt of such report it shall be the duty and obligation of the Legislature to appropriate, in the State Budget Act, or otherwise, such sums as may be necessary to make the Judges' Retirement Fund fully sufficient to pay all of the obligations of the fund which will become payable during the ensuing fiscal year.

SEC. 21. Section 75109 of the Government Code is amended to read:

75109. If the Judges' Retirement System determines that there has been an overpayment of contributions or that any amount not required to be paid under this chapter has been paid by a judge, the Judges' Retirement System shall refund the amount of the overpayment or excess payment to the judge. So much money as may be necessary is hereby appropriated from the Judges' Retirement Fund for the purpose of making refunds under this section.

SEC. 22. Section 75109.5 of the Government Code is amended to read:

75109.5. The Judges' Retirement System shall keep in convenient form such data as is necessary for the actuarial valuation of this retirement law. As of June 30, 1973, and thereafter at the ends of periods not to exceed four years, the Judges' Retirement System shall cause to be made an actuarial investigation into the mortality, service and compensation experience of members and persons receiving benefits and an actuarial valuation of the assets and liabilities of this retirement law. From time to time the Judges' Retirement System shall determine the rate of interest being earned on the Judges' Retirement Fund.

The Judges' Retirement System shall cause to be published, as of the date of the investigation and valuation, a financial statement showing an actuarial valuation of the assets and liabilities of the system and a certified statement as to the accumulated cash and securities in the Judges' Retirement Fund. The Judges' Retirement System shall include recommendations for financing the retirement law in the financial statement.

CHAPTER 116

An act to add Chapter 10.6 (commencing with Section 25925) to Division 20 of the Health and Safety Code, relating to asbestos, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 28, 1986 Filed with Secretary of State May 28, 1986.]

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

SECTION 1. Chapter 10.6 (commencing with Section 25925) is added to Division 20 of the Health and Safety Code, to read:

CHAPTER 10.6. ASBESTOS ABATEMENT AND CONTROL

25925. (a) "Asbestos" means naturally occurring fibrous hydrated mineral silicates, including chrysotile, crocidolite, amosite, fibrous tremolite, fibrous anthophyllite, and fibrous actinolite.

(b) "Asbestos materials" means materials formed by mixing asbestos fibers with other products, including, but not limited to, rock wool, plaster, cellulose, clay, vermiculite, perlite, and a variety of adhesives, whether sprayed on surfaces or applied to surfaces in the form of a plaster or a textured paint.

(c) "Public building" means any structure, facility, or building owned or leased by the State of California, the University of California, or any local agency as defined in Section 54980 of the Government Code. "Public building" does not include any building or structure used for a primary or secondary school.

25926. The Legislature finds that:

(a) Substantial medical and scientific evidence indicates that human exposure to asbestos fibers significantly increases the risk of contracting cancer and other debilitating or fatal diseases, including, but not limited to, asbestosis.

(b) The Legislature has taken measures to reduce the risk of asbestos exposure for school children and school employees by creating a statewide program to rid schools of asbestos (Chapter 1751, Statutes of 1984).

(c) Asbestos materials were commonly used in public buildings for fireproofing, soundproofing, decoration, thermal insulation, and other purposes.

(d) When these materials deteriorate or become loose, damaged, or friable, they release asbestos fibers into the ambient air. This may result in exposure of employees and the public to potentially dangerous levels of asbestos.

(e) It is vital for the safety of the public to identify the precise location and condition of asbestos materials in public buildings in order to institute abatement and control procedures as needed and

to ensure that when repairs or renovations are undertaken that any asbestos materials present are properly handled.

25927. It is the intent of the Legislature to ensure the safety of the public and of public employees by creating an interdepartmental task force composed of representatives from the State Department of Health Services, the Department of Industrial Relations, the Department of General Services, and the Commission on Building Standards, which shall be known as the Asbestos Assessment Task Force to analyze the magnitude of the asbestos problem in public buildings.

The State Department of Health Services shall be responsible for coordinating the work of the Asbestos Assessment Task Force and compiling a report to include all of the following:

(a) A statewide inspection plan and a schedule for assessing the presence and condition of asbestos in public buildings. In developing the inspection plan the Asbestos Assessment Task Force shall do all of the following:

(1) Inspect a representative sample of public buildings and utilize the data to project priorities and costs for inspection and asbestos abatement and control required for public buildings.

(2) Design a uniform reporting form for building inspection to document the presence of asbestos and their location within the building. The form shall contain an evaluation of the extent to which any asbestos materials are loose, friable, flaking, dusting or otherwise show evidence of damage, deterioration, or disturbance and the causes, if ascertainable, of such problems.

(3) Develop criteria to rate buildings according to the degree of hazard posed by the presence and condition of the asbestos materials in the buildings. The criteria shall include, but not be limited to, considerations of the exposure potential for the type of public and employee use of the building and the condition and location of the asbestos material. The criteria shall include a designation of an emergency situation in which the condition or location of the asbestos materials constitutes an imminent and severe threat to human health.

(4) Design an emergency procedure for buildings in which the condition of the asbestos materials constitutes an imminent and severe threat to human health.

(5) Design an information system which will provide building maintenance personnel, employees and the public with information about the asbestos materials in the building. The information system shall include a notification procedure for employees and the public concerning any activities to contain or remove asbestos materials or to renovate, repair, or engage in construction activities in buildings containing asbestos materials.

(6) Design a statewide register which contains information, including, but not limited to, reports of any inspection for asbestos and any containment, abatement, encapsulation or other asbestos control measures.

(b) Review the relevant research, laws and regulations and develop methods and standards to accurately assess the potential for employee and public exposure to asbestos in public buildings. These methods and standards shall include recommendations for effective asbestos control which may be taken to minimize employee and public exposure and recommendations regarding standards for minimum levels of asbestos concentration in ambient air in public buildings. In developing the methods and standards the Asbestos Assessment Task Force shall hold public hearings to obtain testimony from the scientific community and the public.

The duties to inspect public buildings and to report to the Legislature which are imposed on the state pursuant to this chapter shall not be interpreted to impose on the state, the University of California, or any local agency any duty to repair buildings if that duty does not exist on the date this chapter becomes operative.

Local agencies are urged to provide the Asbestos Assessment Task Force with data needed by the task force to complete the duties imposed pursuant to this chapter.

25928. The State Department of Health Services shall report to the Legislature by December 31, 1987, on the results of the Asbestos Assessment Task Force recommendations and inspections pursuant to Section 25927.

25929. If any building standards are adopted pursuant to this chapter, the standards shall be placed in the appropriate sections of the State Building Standards Code, contained in Title 24 of the California Administrative Code.

SEC. 2. There is hereby appropriated the sum of two hundred thousand dollars ($200,000) from the General Fund to the State Department of Health Services for the purpose of funding the Asbestos Assessment Task Force.

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

To safeguard the public health from the hazards of asbestos it is imperative that this act become effective immediately.

CHAPTER 117

An act to amend Section 35239 of the Education Code, relating to compensation of governing board members, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 28, 1986. Filed with Secretary of State May 28, 1986.]

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

SECTION 1. Section 35239 of the Education Code is amended to read:

35239. (a) In a school district which during the preceding fiscal year had an average daily attendance of 70 or less, a member of the governing board may receive a reasonable compensation from the district for necessary work and labor performed by him or her for the district in repairing the schoolhouse, fences, and other property belonging to the district, or in furnishing wood or other necessary supplies.

(b) In a school district which during the preceding fiscal year had an average daily attendance of 70 or less, a member of the governing board may receive a reasonable compensation from the district for providing services in a classified position if the collective bargaining agent for classified employees in that district and the governing board concur that no other qualified person is available.

(c) The requisition drawn pursuant to subdivision (a) or (b) for payment of services or supplies shall be signed by the other members of the governing board and shall be subject to approval by the county superintendent of schools.

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

In order to avoid or eliminate hardships created in school districts, it is necessary that this act go into immediate effect.

CHAPTER 118

An act to amend Section 45308 of the Education Code, relating to classified employees.

[Approved by Governor May 28, 1986 Filed with Secretary of State May 28, 1986.]

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

SECTION 1. Section 45308 of the Education Code is amended to read:

45308. Classified employees shall be subject to layoff for lack of work or lack of funds. Whenever a classified employee is laid off, the order of layoff within the class shall be determined by length of service. The employee who has been employed the shortest time in the class, plus higher classes, shall be laid off first. Reemployment shall be in the reverse order of layoff.

For purposes of this section, in school districts with an average daily attendance below 400,000, for service commencing or continuing after July 1, 1971, "length of service" means all hours in paid status, whether during the school year, a holiday, recess, or during any period that a school is in session or closed, but does not include any hours compensated solely on an overtime basis as provided for in Section 45128. For purposes of this section, in school districts with an average daily attendance of 400,000 or more, for service commencing or continuing after January 1, 1986, "length of service" shall be determined by the date of hire.

Nothing contained in this section shall preclude the granting of "length of service" credit for time spent on military leave of absence, or unpaid illness leave, or unpaid maternity leave, or unpaid industrial accident leave. In the event an employee returns to work following any other unpaid leave of absence, no further seniority shall be accrued for the time not worked.

"Hours in paid status" shall not be interpreted to mean any service performed prior to entering into a probationary or permanent status in the classified service of the district except service in restricted positions as provided in this chapter.

CHAPTER 119

An act to amend Section 12301 of the Welfare and Institutions Code, relating to public social services, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 30, 1986. Filed with Secretary of State June 2, 1986]

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

SECTION 1. The Legislature finds and declares that the In-home Supportive Services program, provided for pursuant to Article 7 (commencing with Section 12300) of Chapter 3 of Part 3 of Division 9 of the Welfare and Institutions Code, provides supportive services that enable aged, blind, and disabled persons to safely remain in their own homes. The Legislature further finds that this program contributes significantly to the goal of fostering maximum independence wherever possible and therefore provides an important alternative to placement in a long-term health care facility or other institution outside the home. It is therefore the intent of this act to assess the utilization of program funds and to assess the interrelationship between the In-Home Supportive Services program and other programs that may affect program caseload.

SEC. 2. Section 12301 of the Welfare and Institutions Code is amended to read:

12301. (a) The intent of the Legislature in enacting this article is to provide supplemental or additional services to the social and rehabilitative services in Article 6 (commencing with Section 12250) of this chapter. The Legislature further intends that necessary in-home supportive services shall be provided in a uniform manner in every county based on individual need consistent with the appropriation provided for such services in the annual Budget Act and the provisions of this chapter, in the absence of alternative in-home supportive services provided by an able and willing individual or local agency at no cost to the recipient, except as required under Section 12304.5. An able spouse who is available to assist the recipient shall be deemed willing to provide at no cost any services under this article except nonmedical personal services and paramedical services. When a spouse leaves full-time employment or is prevented from obtaining full-time employment because no other suitable provider is available and where the inability of such provider to provide supportive services may result in inappropriate placement or inadequate care, the spouse shall also be paid for accompaniment when needed during necessary travel to health-related appointments and protective supervision.

(b) Commencing in fiscal year 1985–86, each county shall be notified of its allocation and projected caseload by July 31 of each fiscal year and shall submit a plan to the department within 30 days showing how the county intends to keep program expenditures under this article within the amount of its allocation plus any matching funds required to be expended by the county. If a county cannot keep expenditures within the amount of its allocation plus any matching funds required to be expended by each county, prior to implementing any program reductions, the county shall submit a reduction plan to the department that is prepared in accordance with paragraphs (1) to (5), inclusive, of subdivision (j). The reduction plan shall specify which services will be cut and which client population will be affected. Program reductions shall occur only as an incident to an approved plan.

(c) In approving any reduction plan, the department shall consider all program cost components it determines to be relevant. Within a reasonable period of time, the department shall approve or require modification of the reduction plan as it determines appropriate.

(d) The department may provide additional funds from the existing appropriation to forestall the requirement of any program reductions on a county-by-county basis.

(e) In the event program reductions are necessary, reductions shall be calculated to reduce services only by an amount which would enable a county to remain within the amount of its allocation plus any matching funds required to be expended by each county. Counties that can remain within their allocation shall not implement reductions.

(f) Counties shall also continually monitor their program

expenditures throughout the fiscal year. If at any time a county discovers that its anticipated expenditures will exceed the amount of its allocation plus any matching funds required to be expended by each county, the county shall immediately notify, and submit a reduction plan to, the department for approval prior to implementing program reductions.

(g) The department shall notify the Joint Legislative Budget Committee and the fiscal committees of both houses within 30 days of the date it approves a reduction plan.

(h) Each county shall report all of the following to the department by August 31 of each year:

(1) Information on caseload, including the number of persons who receive 20 or more hours of personal services, between 18 and 20 hours of personal services, the number of persons receiving protective supervision, and the number of cases per age of recipient.

(2) An estimate of the impact on caseload and hours of service in the In-Home Supportive Services program in the current fiscal year from In-Home Supportive Services referrals made by any of the following programs:

(A) The new linkages program authorized by Chapter 1637 of the Statutes of 1984.

(B) Multipurpose senior service centers.

(C) Adult day health care centers.

(D) Diagnostically related groups and early hospital discharges.

(E) Preadmission screening.

(F) Reported adult abuse.

This estimate shall be based upon referrals from these programs made during the preceding fiscal year.

The county shall also report which methods of outreach are being utilized by the county regarding the availability of services under this article.

When a county does not have the capability of reporting on all cases specified under paragraphs (1) and (2) in a timely manner, the county may report to the department on the basis of a representative sample of cases.

The department shall consider using this information to develop its annual budget request or, should the department decide that a deficiency appropriation is necessary, any deficiency request.

(i) On or before January 10 of each year, the department shall submit a report to the Joint Legislative Budget Committee and the fiscal committees of both houses which includes a compilation by county of the data collected pursuant to paragraphs (1) and (2) of subdivision (h) and, by county (1) the amount allocated at the beginning of the fiscal year, (2) the amount expended during the first three months of the fiscal year, (3) an estimate of total fiscal year expenditures, (4) any reallocation of funds among counties, (5) any approved reductions including a description of which services were cut and what clients were affected, and (6) a list, by county, of any new programs under subparagraphs (A), (B), (C), and (E) of

paragaraph (2) of subdivision (h).

(j) The following priorities are established to direct counties and the department on how to implement needed program reductions:

(1) Reduction in the frequency with which nonessential services are provided.

(2) Elimination of nonessential-service categories.

(3) Termination or denial of eligibility to persons requiring only domestic services.

(4) Termination or denial of eligibility to persons who, in the absence of services, would not require placement in a medical out-of-home care facility.

(5) Per capita reduction in the cost of services authorized.

Any program reductions shall be implemented so as to avoid, to the extent feasible within budgetary constraints, out-of-home placements.

The counties and the State Department of Social Services shall utilize these options in the order of their appearance. In no event shall services be terminated or denied to any eligible person who in the absence of services would require medical out-of-home care. In no event shall services be terminated or denied to any eligible person who in the absence of such services would become unemployed.

Nonessential services are routine mending, ironing, heavy cleaning, domestic services, yard hazard abatement except for snow removal, teaching and demonstration, and any other services specified by the department. Restrictions on nonessential services shall be excepted on a case by case basis when denial or termination of such services would result in placement in a medical out-of-home facility or in a loss of employment, in a life threatening situation in conditions which present a substantial threat to health or safety, or in any other condition specified by the department. Essential services shall at a minimum include those services listed in subdivision (e) of Section 12304.

SEC. 3. The State Department of Social Services shall immediately implement this act. If it is necessary to adopt regulations to do so, the director shall immediately adopt emergency regulations in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. These regulations shall become effective immediately upon filing with the Secretary of State and shall not remain in effect more than 120 days unless the State Department of Social Services complies with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, as required by subdivision (e) of Section 11346.1 of the Government Code.

SEC. 4. Pursuant to Section 17579 of the Government Code, the Legislature finds that there is no mandate contained in this act which will result in costs incurred by a local agency or school district for a new program or higher level of service which require reimbursement pursuant to Section 6 of Article XIII B of the California Constitution and Part 7 (commencing with Section 17500)

of Division 4 of Title 2 of the Government Code.

SEC. 5. The sum of fifteen million four hundred thousand dollars ($15,400,000) is hereby appropriated from the General Fund to the State Department of Social Services in augmentation of Item 5180-151-001 (b) (1) of the Budget Act of 1985 (Chapter 111, Statutes of 1985).

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

In order that the State Department of Social Services and counties improve the administration and monitoring of the In-Home Supportive Services program, and to ensure that provider payments be uninterrupted, it is necessary that this act go into immediate effect.

CHAPTER 120

An act to amend Section 6102 of the Penal Code, relating to correctional facilities.

[Approved by Governor June 2, 1986. Filed with Secretary of State June 3, 1986.]

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

SECTION 1. Section 6102 of the Penal Code is amended to read:

6102. The primary purpose of the medical facility shall be the receiving, segregation, confinement, treatment and care of males under the custody of the Department of Corrections or any agency thereof who are any of the following:

(a) Mentally disordered.

(b) Developmentally disabled.

(c) Addicted to the use of controlled substances.

(d) Suffering from any other chronic disease or condition.

CHAPTER 121

An act to amend Section 14672.9 of the Government Code, and to amend Section 4446 of the Welfare and Institutions Code, relating to state property, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 2, 1986 Filed with Secretary of State June 3, 1986.]

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

SECTION 1. Section 14672.9 of the Government Code is amended to read:

14672.9. (a) Notwithstanding Section 14670, the Director of General Services, with the consent of the State Department of Developmental Services, may let in the best interests of the state to a nonprofit corporation, for the purposes specified in this section, real property not exceeding 45.3 acres located within the grounds of the Agnews State Hospital. Of this amount, up to 27 acres may be leased for a period not to exceed 79 years beginning in 1974 and ending July 1, 2053, for the purpose of constructing a business development park. In addition, no more than five acres, of the remaining acres, required by the local government agency for offsite improvements and roadways to support the business development park, may be leased for a period not to exceed 79 years beginning in 1974 and ending July 1, 2053. The remaining acres shall be leased for a period not to exceed 50 years beginning in 1974 and ending on July 1, 2024, for the purpose of conducting an educational and work program for developmentally disabled and other handicapped persons. In the event the nonprofit corporation fails to substantially commence construction of the business development park by July 1, 1988, the terms of the lease allowing construction of a business development park and roadways and offsite improvements shall be null and void, and the lease shall revert to a 50-year period terminating July 1, 2024.

The Department of General Services may provide a one-year extension to the deadline for commencement of construction if the department determines the nonprofit corporation has reasonable grounds for failure to commence construction.

(b) The lease authorized by this section shall be subject to periodic review every five years. The review shall require submission of a report every five years by the lessee. The report shall be reviewed by the Director of General Services, who shall assure the state that the original purposes of the lease are being carried out.

(c) Subject to the approval of the Director of General Services and the State Department of Developmental Services, a lease executed under subdivision (a) may be revised to provide any of the following:

(1) That the nonprofit corporation may assign its interest in the leased property, in whole or in part.

(2) That the nonprofit corporation may sublet all or any portion of the leased property.

(3) That the nonprofit corporation may enter into joint ventures with any other person, firm, partnership, or corporation to construct facilities or to conduct programs and activities on the leased

property.

(d) Any revision of the nonprofit corporation's lease pursuant to subdivision (c) shall be subject to the requirement that all activities, assignments, and subleases shall be in furtherance of the purposes specified in subdivision (a).

(e) Any sublease or partial assignment or transfer of the nonprofit corporation's interest in the leased property, whether voluntary, involuntary, or by operation of law, shall not terminate the nonprofit corporation's remaining interest in the leased property.

(f) In addition to rent paid by the nonprofit corporation to the state, the nonprofit corporation shall pay the state 50 percent of the gross rental income resulting from any subleases pursuant to subdivision (c) through June 30, 2024, and 75 percent of the gross rental income from July 1, 2024, to July 1, 2053. Any proceeds received by the state shall be deposited in a special account within the General Fund to be known as the Developmental Disabilities Services Account. All funds within this account shall be held without regard to fiscal years and shall be available for appropriation by the Legislature for the benefit of persons with developmental disabilities. Any interest accruing to moneys deposited in the account also shall accrue to the account.

On or before April 15 of each year beginning in 1987, the State Department of Developmental Services shall submit a report to the Assembly Ways and Means Committee and the Senate Appropriations Committee. The report shall include, but not be limited to, the following information:

(1) The amount of funds in the Developmental Disabilities Services Account in the General Fund.

(2) The department's priorities for expenditure of those funds.

(g) Any profits to the nonprofit corporation from the proceeds of a sublease executed pursuant to paragraph (2) of subdivision (c) shall be directed into programs for persons with disabilities for the purpose of directly benefiting clients of the nonprofit corporation.

(h) A minimum of 15 percent of the total number of jobs created as a result of the sublease shall be reserved for handicapped employees and placed by the nonprofit corporation.

SEC. 2. Section 4446 of the Welfare and Institutions Code is amended to read:

4446. (a) Notwithstanding Section 4444, the Director of General Services may enter into an agreement with the City of Santa Clara for the dedication of a public right-of-way and the granting of long-term easements, as specified in subdivision (d), by the department over and across state property within Agnews State Hospital, for public road purposes.

(b) The term of any easement agreed to by the department shall be of sufficient duration to enable the city to exercise jurisdiction over the public street or road thereon for maintenance purposes. Any construction or maintenance of a public street or road shall be at no cost to the state, and shall be subject to any applicable state or

local requirements relating to accessibility for the physically handicapped or disabled.

(c) The agreement shall contain such terms, conditions, reservations, and exceptions as the director deems in the best interest of the state, and as will protect the future use and marketability of the property.

(d) Any public right-of-way or easements agreed to pursuant to subdivision (a) shall meet the following specifications:

(1) A public right-of-way over approximately an 80-foot wide strip of land starting at a point approximately 1450 feet east of the center line of De La Cruz Boulevard and running in a northerly direction from Montague Expressway approximately 2200 feet to a point 250 feet south of the northern boundary of the Camsi III property, the last 970 feet of which lies contiguous with the western boundary of the Camsi III property, together with land necessary for acceleration and deceleration lanes from the proposed collector street onto and off of Montague Expressway, the land consisting of two wedge shaped parcels, 600 feet in length and varying width, between 20 feet to 0 feet.

(2) A 20-foot wide easement for entry into state land, to fill an existing channel and install and maintain a water main, lying contiguous to the northern right-of-way line of Montague Expressway and running from the western boundary of Camsi III property, westerly to De La Cruz Boulevard, excepting that right-of-way previously described in paragraph (1) of this subdivision for the proposed street purpose.

(3) A 30-foot wide easement, for the purpose of filling an existing storm channel, running from Montague Expressway 441 feet northerly along the water boundary of Camsi III property.

(4) Other easements determined by the Director of General Services as necessary for the purpose of constructing a business development park pursuant to Section 14672.9 of the Government Code.

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

In order to meet the financing requirements for construction of vitally needed facilities for rehabilitation services for the mentally retarded and other persons with disabilities in California at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 122

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

[Approved by Governor June 2, 1986 Filed with Secretary of State June 3, 1986]

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

SECTION 1. Pursuant to Section 5626 of the Public Resources Code, the County of Sonoma is hereby authorized to retain and convert to road right-of-way purposes an approximately one-acre portion of Maxwell Farms Regional Park acquired with a grant of state funds described in the Department of Parks and Recreation project BG-49-002 under the Roberti-Z'berg-Harris Urban Open-Space and Recreation Program Act (Chapter 3.2 (commencing with Section 5620) of Division 5 of the Public Resources Code) appropriated by Item 271 of the Budget Act of 1976 (Chapter 320, Statutes of 1976) and Item 227 of the Budget Act of 1977 (Chapter 219, Statutes of 1977), subject to the condition that the County of Sonoma transfers to Maxwell Farms Regional Park other county-owned property as an addition to the park.

SEC. 2. The funds appropriated in category (1) of Item 3790-101-036 of Section 2 of the Budget Act of 1985 (Chapter 111, Statutes 1985) are hereby reappropriated to the Department of Parks and Recreation for allocation for park and recreation purposes to the East Bay Regional Park District and the East Bay Municipal Utility District pursuant to an agreement between the two districts which is subject to approval by the department.

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

In order that right-of-way realignment necessary to permit safe ingress to and egress from Maxwell Farms Regional Park in Sonoma County may be commenced at the earliest possible time, and in order to ensure public access to recreational areas to be provided by the East Bay Regional Park District and the East Bay Municipal Utility District, it is necessary that this act take effect immediately.

CHAPTER 123

An act to amend and repeal Section 18300 of the Health and Safety Code, relating to the Mobilehome Parks Act.

[Approved by Governor June 2, 1986 Filed with Secretary of State June 3, 1986]

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

SECTION 1. Section 18300 of the Health and Safety Code, as amended by Section 5 of Chapter 210 of the Statutes of 1985, is amended to read:

18300. (a) This part applies to all parts of the state and supersedes any ordinance enacted by any city, county, or city and county, whether general law or chartered, applicable to this part. Except as provided in Section 18930, the department may adopt regulations to interpret and make specific this part and when adopted the regulations shall apply to all parts of the state.

(b) Upon 30 days' written notice from the governing body to the department, any city, county, or city and county may assume the responsibility for the enforcement of this part and the regulations adopted pursuant to this part following approval by the department for the assumption.

(c) The department shall adopt regulations which set forth the conditions for assumption and may include required qualifications of local enforcement agencies. The conditions set forth and the qualifications required in the regulations which set forth the conditions for assumption shall relate solely to the ability of local agencies to enforce properly this part and the regulations adopted pursuant to this part. The regulations which set forth the conditions for assumption shall not set requirements for local agencies different than those which the state maintains for its own enforcement program. When assumption is approved, the department shall transfer the responsibility for enforcement to the city, county, or city and county, together with all records of mobilehome parks within the jurisdiction of the city, county, or city and county.

(d) (1) In the event of nonenforcement of this part or the regulations adopted pursuant to this part by a city, county, or city and county, the department shall enforce this part and the regulations adopted pursuant to this part in the city, county, or city and county after the department has given written notice to the governing body of the city, county, or city and county setting forth in what respects the city, county, or city and county has failed to discharge its responsibility, and the city, county, or city and county has failed to initiate corrective measures to carry out its responsibility within 30 days of the notice.

(2) Where the department determines that the local enforcement agency is not properly enforcing this part, the local enforcement

agency shall have the right to appeal the decision to the director of the department.

(e) Any city, city and county, or county, upon written notice from the governing body to the department, may cancel its assumption of responsibility for the enforcement of this part. The department, upon receipt of the notice, shall assume responsibility within 30 days.

(f) Every city, county, or city and county, within its jurisdiction, shall enforce this part and the regulations adopted pursuant to this part, as they relate to manufactured homes or mobilehomes and to mobilehome accessory buildings or structures located outside of mobilehome parks.

(g) This part shall not prevent local authorities of any city, county, or city and county, within the reasonable exercise of their police powers, from doing any of the following:

(1) From establishing, subject to the requirements of Sections 65852.3 and 65852.7 of the Government Code, certain zones for manufactured homes, mobilehomes, or mobilehome parks, recreational vehicle parks, temporary recreational vehicle parks, or tent camps within the city, county, or city and county, or establishing types of uses and locations, including family mobilehome parks, adult mobilehome parks, mobilehome condominiums, mobilehome subdivisions, or mobilehome planned unit developments within the city, county, or city and county, as defined in the zoning ordinance, or from adopting rules and regulations by ordinance or resolution prescribing park perimeter walls or enclosures on public street frontage, signs, access, and vehicle parking or from prescribing the prohibition of certain uses for mobilehome parks, recreational vehicle parks, temporary recreational vehicle parks, or tent camps.

(2) From regulating the construction and use of equipment and facilities located outside of a manufactured home, mobilehome, or recreational vehicle used to supply gas, water, or electricity thereto, except facilities owned, operated, and maintained by a public utility, or to dispose of sewage or other waste therefrom when the facilities are located outside a mobilehome park, recreational vehicle park, or temporary recreational vehicle park for which a permit is required by this part or the regulations adopted pursuant thereto.

(3) From requiring a permit to use a manufactured home, mobilehome, or recreational vehicle outside a mobilehome park, recreational vehicle park, or temporary recreational vehicle park for which a permit is required by this part or by regulations adopted pursuant thereto, and require a fee therefor by local ordinance commensurate with the cost of enforcing this part and local ordinance with reference to the use of manufactured homes, mobilehomes, and recreational vehicles, which permit may be refused or revoked if the use violates this part or Part 2 (commencing with Section 18000), any regulations adopted pursuant thereto, or any local ordinance applicable to that use.

(4) From requiring a local building permit to construct an accessory structure for a manufactured home or mobilehome when

the manufactured home or mobilehome is located outside a mobilehome park, recreational vehicle park, or temporary recreational vehicle park, under circumstances which the provisions of this part or Part 2 (commencing with Section 18000) and the regulations adopted pursuant thereto do not require the issuance of a permit therefor by the department.

(h) (1) A city, including a charter city, county, or city and county, shall not require the average density in a new mobilehome park to be less than that permitted by the applicable zoning ordinance, plus any density bonus, as defined in Section 65915 of the Government Code, for other affordable housing forms.

(2) A city, including a charter city, county, or city and county, shall not require a new mobilehome park to include a clubhouse. Recreational facilities, recreational areas, accessory structures, or improvements may be required only to the extent that the facilities or improvements are required in other types of residential developments containing a like number of residential dwelling units.

SEC. 2. Section 18300 of the Health and Safety Code, as amended by Section 6 of Chapter 210 of the Statutes of 1985, is repealed.

CHAPTER 124

An act to amend Section 2554 of the Streets and Highways Code, relating to streets and highways.

[Approved by Governor June 2, 1986 Filed with Secretary of State June 3, 1986]

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

SECTION 1. Section 2554 of the Streets and Highways Code is amended to read:

2554. The moneys received by each authority pursuant to subdivision (b) of Section 9250.10 of the Vehicle Code shall be used for the implementation, maintenance, and operation of an emergency motorist aid system for emergency call boxes on the portions of the California Freeway and Expressway System located within the county in which the authority is established. The Department of Transportation and the Department of the California Highway Patrol shall each review and approve plans for implementation of an emergency motorist aid system proposed for any state highway route and shall be reimbursed by the service authority for all costs incurred.

An authority may construct and maintain the facilities of an emergency motorist aid system or it may contract with a private person or entity to do so.

CHAPTER 125

An act to amend Sections 16367.5, 16367.6, 16367.61, 16367.65, 16367.7, and 16367.75 of the Government Code, and to amend Section 11 of Chapter 1604 of the Statutes of 1985, relating to energy assistance.

[Approved by Governor June 2, 1986. Filed with Secretary of State June 3, 1986]

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

SECTION 1. Section 16367.5 of the Government Code is amended to read:

16367.5. The Department of Economic Opportunity shall receive and administer the federal Low-Income Home Energy Assistance Programs Block Grant, provided for pursuant to the Low-Income Home Energy Assistance Act of 1981, as amended (42 U.S.C. Sec. 8621 et seq.), and shall allocate funds received as follows:

(a) Five percent of the total federal allocation shall be allocated for purposes of administration. An additional 2.5 percent of the total federal allocation shall be set aside for administrative purposes and made available upon request of the Department of Finance and pursuant to Section 28 of Chapter 99 of the Statutes of 1981.

(b) An amount not to exceed 10 percent of the total federal allocation to the State Department of Social Services for social service programs under Chapter 5 (commencing with Section 13000) of Part 3 of Division 9 of the Welfare and Institutions Code.

This allocation shall be implemented prior to the first fiscal year for which an equivalent amount of state funding is identified and appropriated to the State Department of Social Services. It is the intent of the Legislature that identification and appropriation of an equivalent amount of state funding be made pursuant to the Budget Act of 1986.

(c) Fifteen percent of the total federal allocation for weatherization services for eligible individuals. For the purposes of this subdivision, weatherization shall include all energy conservation measures and energy efficient appliances that are cost effective and improve energy efficiency. For the purposes of this subdivision, these services shall be available to households in which one or more individuals are receiving aid under Chapter 2 (commencing with Section 11200) and Chapter 3 (commencing with Section 12000) of Part 3 of Division 9 of the Welfare and Institutions Code, county general assistance recipients under Part 5 (commencing with Section 17000) of Division 9 of the Welfare and Institutions Code, Food Stamp Program recipients, provided for under Chapter 10 (commencing with Section 18900) of Part 6 of Division 9 of the Welfare and Institutions Code, payments under Section 415, 521, 541, or 542 of Title 38 of the United States Code, or under Section 306 of

the Veterans' and Survivors' Pension Improvement Act of 1978, and other households with incomes that do not exceed an amount equal to 150 percent of the federally established poverty level.

(d) Twenty-five percent for the Energy Crisis Intervention Program which shall consist solely of emergency assistance to eligible individuals for programs specified in this subdivision who give evidence of one or more of the following conditions:

(1) Proof of utility shutoff notice.

(2) Proof of energy termination.

(3) Insufficient funds to establish a new energy account.

(4) Insufficient funds to pay a current or delinquent utility bill.

(5) Insufficient funds to pay the cost of space heating devices where no alternative source of space heating is reasonably available.

(6) Insufficient funds to pay for essential firewood.

(7) Insufficient funds to pay for the cost of emergency repairs to heating and cooling units.

(8) Insufficient funds to pay energy costs for a household in which a household member's medical condition requires use of life support or climate and temperature control systems.

The crisis intervention program shall not include advocacy, community mobilization, or community planning.

The Energy Crisis Intervention Program shall be available to households containing recipients of programs contained in Division 9 (commencing with Section 10000) of the Welfare and Institutions Code and which are referred to in subdivision (c) and other households with incomes that do not exceed 130 percent of the federally established poverty level.

(e) The remainder of the total federal allocation shall be utilized for aid for home energy costs for direct assistance payments, which shall be distributed in accordance with subdivision (b) of Section 16367.6. Services shall be provided to both of the following:

(1) Households in which one or more individuals are receiving any of the following:

(A) Aid to families with dependent children under the state's plan approved under Part A of Title IV of the federal Social Security Act (42 U.S.C. Sec. 601 et seq.) and Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code, other than aid in the form of foster care received in accordance with Section 408 of the federal Social Security Act.

(B) Supplemental Security Income payments under Title XVI of the federal Social Security Act (42 U.S.C. Sec. 1381 et seq.) and Chapter 3 (commencing with Section 12000) of Part 3 of Division 9 of the Welfare and Institutions Code).

(C) Food stamps received pursuant to Chapter 10 (commencing with Section 18900) of Part 6 of Division 9 of the Welfare and Institutions Code.

(D) Payments under Section 415, 521, 541, or 542 of Title 38, United States Code, or under Section 306 of the Veterans' and Survivors' Pension Improvement Act of 1978.

(2) Households with incomes which do not exceed the greater of either an amount equal to 150 percent of the poverty level for this state, or an amount equal to 60 percent of the state median income, except that no household may be excluded from eligibility under this paragraph if the household has an income which is less than 110 percent of the poverty level of this state.

(f) The Department of Economic Opportunity shall contract with local public or private nonprofit agencies to assist with outreach and intake and other activities to enroll eligible individuals.

(g) The program components provided for in subdivisions (c) and (e) shall include activities to enroll eligible individuals, especially the elderly and disabled, and to educate recipients about general energy conservation practices and about the availability of state and utility programs for free weatherization of low-income homes.

(h) The Department of Economic Opportunity and the Office of Planning and Research may enter into an interagency agreement concerning the education component of this section. If an agreement is entered into pursuant to this subdivision, it shall provide that the Office of Planning and Research shall contract with local public or private nonprofit agencies for the education component. In order to maximize the efficiency of these programs, the Office of Planning and Research shall contract, to the extent feasible, with community-based organizations and community-action agencies providing crisis intervention grants under this section.

SEC. 2. Section 16367.6 of the Government Code is amended to read:

16367.6. (a) The Department of Economic Opportunity shall receive and administer all state and federal funds which are allocated for programs to provide energy assistance to qualified low-income individuals only, except for those funds which are allocated to, and distributed by, the California Energy Extension Service.

(b) No later than November 1, 1984, the Department of Economic Opportunity shall promulgate a comprehensive procedure to assure that those energy assistance funds are utilized in the most productive and efficient manner, including a distribution system whereby all funds allocated for direct assistance payments are distributed by state and local agencies directly to the electrical or gas corporations or other suppliers of energy on behalf of the qualified low-income individuals or by two-party checks made payable to both the energy supplier and the individual. In establishing this system, the Department of Economic Opportunity shall consult with representatives of electrical or gas corporations or other suppliers of energy and with local agencies that participate in distributing assistance funds.

The Department of Economic Opportunity shall have the discretion to adjust payments to the energy supplier or the individual or to make direct payments to the individual for payment to an energy supplier in special or unique circumstances not otherwise provided for in this section.

(c) The Department of Economic Opportunity shall submit an annual report to the Legislature no later than August 15 describing the following aspects of the Low-Income Home Energy Assistance Program:

(1) The amount of money expended on the program.

(2) The number of individuals served by the program.

(3) The average amount of assistance provided to program recipients.

(4) The amount of unexpended Home Energy Assistance Program funds remaining after the close of the application period.

(5) An estimate of the number of individuals eligible under paragraph (2) of subdivision (e) of Section 16367.5 and the number and level of those eligible individuals served within available resources.

SEC. 3. Section 16367.61 of the Government Code is amended to read:

16367.61. In order to make administrative improvements in the Low-Income Home Energy Assistance Program components provided for in subdivisions (c), (d), and (e) of Section 16367.5, the Department of Economic Opportunity shall contract, during the 1986 program year, with nonprofit organizations to implement pilot programs and demonstration projects including, but not limited to, all of the following:

(a) Decentralization of the Low-Income Home Energy Assistance Program providing benefits to eligible individuals.

(b) A trust account system for the payment of utility companies by contractors on behalf of eligible individuals.

(c) An electronic transfer payment system between the Department of Economic Opportunity, commercial banks, local administering agencies, and participating energy suppliers.

(d) Analyze the Department of Economic Opportunity operated weatherization programs provided for under subdivision (c) of Section 16367.5, using utility-funded programs as models, and recommend techniques to increase efficiency and provide maximum energy savings for dollars spent.

SEC. 4. Section 16367.65 of the Government Code is amended to read:

16367.65. The Department of Economic Opportunity may enter into an agreement with the California Energy Extension Service to provide technical assistance and outreach programs to low-income individuals and the Department of Economic Opportunity energy agencies which shall include, but not be limited to, all of the following:

(a) Energy education programs for recipients of low-income energy assistance.

(b) Energy education to senior citizens, disabled individuals, Native Americans, seasonal migrant workers, and rural communities.

(c) Training programs and technical assistance for community action agencies and community-based organizations and other

groups which administer the low-income home energy assistance programs at the local level.

SEC. 5. Section 16367.7 of the Government Code is amended to read:

16367.7. Whenever the Department of Economic Opportunity does not allocate Energy Crisis Intervention Program funds on schedule to a community-based organization or community action agency and the organization or agency finds it necessary to obtain a loan in order to cover its program costs, the office shall pay any interest charges on the loan out of the funds budgeted for the administration of the Department of Economic Opportunity, unless the failure to allocate is due to an incomplete application or report and the office promptly gives notice of this fact to the organization or agency.

Any interest payable by the office pursuant to this section shall be paid by the Controller to the organization or agency from available funds in the office's budget. If any interest charge is paid by the office pursuant to this section, the office shall report this fact to the Legislature and describe what actions are being taken to prevent additional payments of interest charges.

SEC. 6. Section 16367.75 of the Government Code is amended to read:

16367.75. The Department of Economic Opportunity shall biennially, commencing January 1, 1987, submit a report to the Legislature on the results of the pilot projects and demonstration program, provided for under subdivision (f) of Section 16367.5 and Sections 16367.61 and 16367.65, and the impact of expanding program eligibility.

SEC. 7. Section 11 of Chapter 1604 of the Statutes of 1985 is amended to read:

Sec. 11. (a) The sum of two million dollars ($2,000,000) is hereby appropriated from the Federal Trust Fund, which was created pursuant to Section 16360 of the Government Code, for the Energy Crisis Intervention Program provided under subdivision (c) of Section 16367.5 of the Government Code. This sum shall be allocated from the sum of two million dollars ($2,000,000) transferred from the General Fund to the Federal Trust Fund in repayment of interest earned on federal Petroleum Violation Escrow Account receipts deposited in the Federal Trust Fund.

(b) The sum of three million dollars ($3,000,000) is hereby appropriated from petroleum violation escrow funds to which the State of California is entitled pursuant to the decision and order of the United States Department of Energy regarding allocation of National Helium Corporation overcharges in Case Number HQF-0501, to the Department of Transportation for assistance to local governments for improved traffic flow efficiency through optimized traffic signal timing and operation. This assistance shall give priority to projects located in low-income communities.

(c) The sum of three million three hundred thousand dollars

($3,300,000) is hereby appropriated from petroleum violation escrow funds to which the State of California is entitled pursuant to the decision and order of the United States Department of Energy, dated March 20, 1985, regarding the allocation of Charter Company overcharges in Case Number HQF-0480, to the State Energy Resources Conservation and Development Commission for a program to provide technical and financial assistance for public and private transit operators for the acquisition and operation of new and retrofitted methanol-powered transit buses.

(d) The sum of nine hundred thousand dollars ($900,000) of any other petroleum overcharge settlement funds to which the State of California is entitled and which are available to the state on or before September 1, 1985, is hereby appropriated to the Office of Planning and Research, Energy Extension Service, for a loan program to assist low-income fishing fleet operators to conserve fuel.

(e) The sum of two hundred thousand dollars ($200,000) of any other petroleum overcharge settlement funds to which the State of California is entitled and which are available to the state on or before September 1, 1985, is hereby appropriated to the State Department of Education to establish a pilot program to fit automobile driver training vehicles with instrumentation providing instructional information on fuel consumption and vehicle fuel efficiency, and provide in-service training to automobile driver training instructors on fuel efficient driving techniques and the use of this equipment. Any school district shall be eligible to apply for participation in the pilot program, with preference given to districts in regions with high vehicular air pollution. No more than one-third of the total appropriation under this section shall be used to evaluate the pilot program.

CHAPTER 126

An act to add Section 6502.7 to the Government Code, relating to public agencies.

[Approved by Governor June 2, 1986 Filed with Secretary of State June 3, 1986]

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

SECTION 1. Section 6502.7 is added to the Government Code, to read:

6502.7. (a) If authorized by their legislative or other governing bodies, two or more public agencies which have the authority to identify, plan for, monitor, control, regulate, dispose of, or abate liquid, toxic, or hazardous wastes or hazardous materials may, by agreement, jointly exercise any of these powers common to the contracting parties.

(b) The contracting parties may provide special services, including persons specially trained, experienced, expert, and competent to perform these special services.

(c) The provisions of this section are declaratory of existing law and do not limit any authority which already exists.

CHAPTER 127

An act to amend Sections 15045 and 15078 of the Unemployment Insurance Code, relating to job training.

[Approved by Governor June 2, 1986 Filed with Secretary of State June 3, 1986.]

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

SECTION 1. Section 15045 of the Unemployment Insurance Code is amended to read:

15045. The opportunity shall be provided for public review and comment on the plan prior to final approval and in accordance with procedures which the chief elected officials determine are reasonable and appropriate, and which shall provide all of the following:

(a) A public hearing on the proposed plan by the private industry council, with at least 10 days' advance public notice, prior to submission to the chief elected official or officials.

(b) A 30-day post hearing comment period prior to final adoption of the plan by the council and submission to the chief elected officials.

(c) A requirement that the council or the local governmental unit or units, or both, respond in writing to any comments submitted concerning the plan as a part of the plan to be submitted to the department.

SEC. 2. Section 15078 of the Unemployment Insurance Code is amended to read:

15078. For purposes of matching federal funds as required in Section 304 of Title III of the federal Job Training Partnership Act, to the extent such funds are appropriated, "state matching funds" shall include, but not be limited to, all of the following:

(a) Funds expended pursuant to Chapter 2.8 (commencing with Section 9950) of Part 1 of Division 3.

(b) Funds expended pursuant to Chapter 2.9 (commencing with Section 9970) of Part 1 of Division 3.

(c) Funds expended pursuant to Chapter 3.5 (commencing with Section 10200) of Part 1 of Division 3.

(d) Funds expended pursuant to Article 1.5 (commencing with Section 1266) of Chapter 5 of Part 1 of Division 1.

CHAPTER 128

An act relating to public lands formerly comprising Bidwell State Park.

[Approved by Governor June 2, 1986 Filed with Secretary of State June 3, 1986.]

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

SECTION 1. The County of Butte is hereby authorized and empowered to grant, convey, or otherwise transfer to the City of Chico, and its successors, all of the right title, and interest held by the county in those lands granted to it by Chapter 73 of the Statutes of 1950, First Extraordinary Session, which, on January 1, 1987, are situated within the adopted sphere of influence of the City of Chico, excluding any lands transferred pursuant to Chapter 536 of the Statutes of 1977, and the land so transferred to the city shall remain subject to all of the conditions, restrictions, and limitations imposed upon the County of Butte and its successors by Chapter 73 of the Statutes of 1950, First Extraordinary Session, except that, notwithstanding subdivision (b) of Section 1 of Chapter 73, the City of Chico is not required to improve the park and may apply for local assistance park grants for the park.

CHAPTER 129

An act to add Section 323.3 to the Health and Safety Code, and to amend Item 4260-001-001 of Section 2.00 of Chapter 111 of the Statutes of 1985, relating to health, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 2, 1986 Filed with Secretary of State June 3, 1986.]

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

SECTION 1. Section 323.3 is added to the Health and Safety Code, to read:

323.3. The department may contract with a private entity for the performance of processing claims for state reimbursement, so long as the cost of the contract is no more than 85 percent of the cost of the service if performed in state service and there is compliance with other applicable provisions of the Government Code including, but not limited to, Sections 19130 to 19132, inclusive.

SEC. 2. Item 4260-001-001 of Section 2.00 of Chapter 111 of the Statutes of 1985 is amended to read:

4260-001-001—For support of Department of Health Services 123,142,486

Schedule:

(a) 100000-Personal Services	146,762,225
(b) 300000-Operating expenses and equipment	124,437,428
(c) Special Item of Expense—Hazardous Substances Bond program	0
(d) Reimbursements	–8,843,799
(e) Amount payable from the Hazardous Waste Control Account, General Fund (Item 4260-001-014)	–17,180,903
(f) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 4260-001-044) ..	–306,000
(g) Amounts payable from the Genetic Diseaase Testing Fund (Item 4260-001-203)	–17,024,195
(h) Amount payable from the Sanitary Registration Fund (Item 4260-001-335)	–86,000
(i) Amount payable from the Hazardous Substances Account, General Fund (Item 4260-001-455)	–7,716,000
(ix) Amount payable from the Hazardous Substance Account (Item 4260-020-455)	–1,816,000
(ixx) Amount payable from the Hazardous Substance Account (Item 4260-030-455)	–2,050,000
(j) Amount payable from the Hazardous Substance Cleanup Fund (Item 4260-001-825)	–6,379,000
(k) Amount payable from the Federal Trust Fund (Item 4260-001-890) ..	–86,653,034
(m) Amount payable from the Local Health Capital Expenditure Account (Item 4260-001-900)	–166,000

Provisions:

1. Should any additional federal funds become available to support venereal disease programs currently operated pursuant to state law by the Department of Health Services, such funds shall be used in lieu of funds appropriated by this item for the same purpose to the extent consistent with federal law or regulations.
2. Department fees subject to the annual fee increase provisions of subdivision (a) of Section 113 and subdivision (a) of Section 114 of the

Health and Safety Code as added by Chapter 1012, Statutes of 1980 and Chapter 327, Statutes of 1982, shall be increased at a rate of 1.72 percent effective January 1, 1986. For each 1-percent increase in employee compensation granted in the Budget Act, 0.57 percent shall be added to the fee adjustment.

3. Departmental fees subject to the annual fee increase provisions of Section 116 of the Health and Safety Code as added by Chapter 327, Statutes of 1982 shall be decreased at a rate of 6.38 percent effective January 1, 1986. For each 1-percent increase in employee compensation granted in the Budget Act, 0.53 percent shall be added to the fee adjustment.
4. Effective July 1, 1985, the annual fee, for a general acute hospital, acute psychiatric hospital, special hospital, general acute care/rehabilitation hospital, psychiatric health facility, and chemical dependency recovery hospital is $11.03 per bed.

   Effective July 1, 1985, the annual fee for a skilled nursing facility, intermediate care facility, or intermediate care facility for the developmentally disabled is $52.20 per bed.
5. The Department of Health Services shall submit a report within 30 days of the end of each month to the chairperson of the fiscal committee of each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee if, in any given month, the department's salary savings rate exceeds 9.5 percent. The first report shall be due September 30 and shall cover the July and August pay periods. The report shall identify the reason for the excess savings and the steps the department plans to take to ensure that budgeted positions are filled.

18. Departmental fees subject to the annual fee adjustment pursuant to Section 115(a) of the Health and Safety Code, added by Chapter 327, Statutes of 1982, shall be increased by 1.03 percent effective January 1, 1986. For each 1-percent increase in employee compensation granted in the 1985 Budget Act, 0.37 percent shall be added to the fee adjustment.
19. The regulation package prepared by the department to establish maximum contaminant levels for drinking water shall include separate documentation of the results from the risk as-

sessment and engineering feasibility studies used to develop the levels so that health risks and costs of achieving recommended levels and alternative levels can be determined. In addition, the regulation establishing the maximum contaminant level shall include an estimate of the health risk imposed on persons exposed to drinking water with contaminants at a level equal to the allowed maximum.

20. The department shall develop, at a minimum, three primary drinking water standards (maximum contaminant levels) during the 1985–86 fiscal year from among the following organic chemicals: trichloroethylene (TCE), 1,1,1,-trichloroethane (TCA), perchloroethylene (PCE), ethylene dibromide (EDB) and dibromochloropropane (DBCP) and develop five action levels (health advisories), as appropriate.

In developing maximum contaminant levels the department shall, in cases of scientific ambiguity, use the criteria most protective of public health and incorporate the following considerations:

(a) The existence of groups or individuals in the population which are more susceptible to adverse effects than the normal healthy adult.

(b) The exposure of contaminants in media other than drinking water (including exposures in food, in the ambient air, and in occupational settings) and the resulting body burden of contaminants.

(c) Possible synergistic effects resulting from exposure to, or interaction by two or more contaminants.

(d) The contaminants exposure and body burden levels which alter physiological function or structure in a manner reasonably suspected of increasing the risk of illness.

The department shall not award any contract for the development of maximum contaminant levels until such time as conflict of interest guidelines have been developed.

Not more than $1,400,000 shall be spent on the development of primary drinking water standards, which shall be based on the state statutes in effect on July 1, 1985.

21. Of the amount appropriated by this item, $2,600,000 shall not be available for expenditure

until such time as legislation has been chaptered the provisions of which:

(a) Immediately establish interim public health drinking water standards for at least 30 organic chemicals; and

(b) Set forth specific public health criteria for the development of maximum contaminant levels.

22. Funds for state services, administration, research and training projects as identified on page HW56 through HW61 of the 1985–86 Governor's Budget, excluding reimbursement from responsible parties for Superfund cleanups, are hereby approved for expenditure. The Department of Health Services shall process a budget revision for each project through the Department of Finance prior to any expenditure of funds and shall provide notification pursuant to Section 28 for any amounts in excess of those identified and for projects not identified.

23. Of the amount appropriated by this item, $450,000 shall be used to conduct a special pilot study on treatment technologies and management strategies for improving water quality affected by organic chemicals and trihalomethanes provided that:

(a) $25,000 shall be available immediately, contingent upon the availability of an equal amount from private sector companies in Santa Clara County, to review available literature regarding drinking water treatment technologies and develop an appropriate work plan to evaluate these technologies; and

(b) An additional amount of $425,000 shall be available for execution of the work plan, contingent upon the availability of matching funds of $150,000 from the Santa Clara Valley Water District and an additional $275,000 from private sector companies in Santa Clara County.

24. Of the amount appropriated by this item, $553,000 shall be used to contract with the County of Santa Clara for a pilot program to test private domestic water wells. The department shall secure a detailed work plan and evidence of a 25 percent match in cash or in-kind services from the county prior to awarding this contract and shall require a comprehensive report on the

findings of this pilot program.

26. The Department of Health Services is prohibited from implementing a preventive health services reorganization proposal until 30 days after it provides a report to the Legislature which:
    (a) Meets the requirements of the law regarding the Rural Health Division.
    (b) Details position changes associated with the proposal, absent any other department proposals, and provides specific justification for any position increases or decreases.
    (c) Describes the need for and benefits of the reorganization.
27. Whenever the department discovers a contaminant in an existing or potential source of drinking water for which no action level or maximum contaminant level has been established, the department shall develop an action level within 120 days of discovery or advise the Legislature regarding why an action level is not needed or cannot be developed within the time limits prescribed.
28. Of the funds appropriated by this act, the department shall use $48,000 from the General Fund and $52,000 from federal funds for overtime related to off-hours nursing home inspections.
29. The department shall implement cancer registries in the following counties: Amador, El Dorado, Fresno, Kern, Kings, Lassen, Madera, Merced, Monterey, Sacramento, San Benito, San Joaquin, San Luis Obispo, Santa Barbara, Santa Clara, Santa Cruz, Stanislaus, Tulare, Ventura, and Yolo. Any funds not used to implement the cancer registry shall revert to the General Fund. The department shall maintain data that identify the actual cost of implementing a cancer registry. Funds appropriated for the purpose of implementing a cancer registry shall be used only for that purpose.
30. Of the amount appropriated by this item, $365,000 shall be used to assist the 9 regional water quality control boards in cleaning up contamination from leaking underground storage tanks. The department shall provide expert advice and assistance to the State Regional Water Boards on matters relating to the health effects of toxic substances in water supplies and the cleanup of contamination or pollution from

leaking underground tanks and other sources. Such advice and assistance shall include, but not be limited to:

(a) Assistance in developing procedures and protocols for assessing risks resulting from leaking underground tanks.

(b) Preparation of toxicological risk assessments.

(c) Expert testimony.

(d) Assistance in preparing public information and educational materials.

31. Of the amount appropriated by this item, the sum of $2,323,000 shall be allocated without regard to fiscal years, for the purpose of implementing Division 9.5 (commencing with Section 10800) of the Health and Safety Code as follows:

(a) To expand the Birth Defects Monitoring Program by contracting with the Counties of Fresno, Sacramento, Orange, Merced, Monterey, Santa Cruz, Solano, Yolo, Yuba, Sutter, Nevada, Amador, Calaveras, Stanislaus, Placer, Tuolumne, Colusa, Humboldt, San Joaquin, and Del Norte 2,016,000

(b) To purchase new computer and computer-related equipment and services for the Birth Defects Monitoring Program..... 307,000

32. The Department of Health Services shall establish an Occupational Health and Disease Prevention Program. The program shall be directed toward:

(a) Establishing an effective occupational disease surveillance program and developing baseline data to be used by epidemiological and occupational health researchers and the Department of Industrial Relations.

(b) Providing technical assistance to local health agencies and other state agencies regarding occupational health issues.

(c) Providing specialized training and technical assistance to local health agencies and other state agencies regarding occupational health issues.

33. The department shall establish 6 positions and allocate $500,000 from this item for the following

activities:

(a) Assessing and evaluating deficiencies in existing surveillance mechanisms including but not limited to: physicians First Reports of Occupational Illness, employers First Reports of Occupational Illness, on-going death certificate studies, and the Northern California Tumore Registry.

(b) Working with other state and local agencies to improve the utility and validity of existing data bases for surveillance of occupational exposures, morbidity and mortality.

(c) Working with other programs within the Department of Health Services to generate data pertinent to the study of occupational morbidity and mortality. Such programs shall include but not be limited to the Birth Defects Monitoring Program, Resource for Cancer Epidemiology, and the Center for Health Statistics.

(d) Establishing with local health agencies, private health practitioners, and the Northern and Southern California Occupational Health Centers, pilot surveillance systems for occupational disease.

(e) Providing medical, statistical, and epidemiological assistance to counties to investigate and evaluate occupational health problems.

(f) Establishing a health hazard evaluation program to which county and other state agencies may refer matters for investigation.

(g) Providing epidemiological consultation to Cal/OSHA.

34. The Director of the Department of Health Services shall notify the chairperson of the committee in each house that considers appropriations no later than 30 days after it determines that it is unable fully to respond to a request from a local air district for technical assistance or for a risk assessment related to toxic air contaminants. The notification shall, at a minimum, include a description of the request and the reasons why the request cannot be met.

The Department of Health Services, as part of the toxic air contaminants program, shall recommend to the Department of Industrial Relations a workplace standard for each air contaminant analyzed pursuant to a request

from the Air Resources Board.

35. Of the funds augmented to this item, $6,335,000 shall be allocated as follows:
    (a) $85,000 to develop informational and educational materials on AIDS.
    (b) $1,500,000 to train crisis center staff on AIDS treatment and the ELISA test.
    (c) $150,000 for an evaluation of educational materials developed.
    (d) $100,000 to support an office of AIDS ombudsman within the department; the ombudsman shall be appointed by the director.
    (e) $250,000 to educate home health agency and attendant care workers.
    (f) $4,250,000 for information and education grants.
36. $360,000 of the funds appropriated by this item shall be used to develop the following:
    (a) Audio and video materials for a media campaign that informs the general public that (1) the ELISA test does not diagnose AIDS and (2) it is safe to give blood.
    (b) Written and video materials for individuals considering use of the ELISA test which clarify that the ELISA test is not a diagnostic test.
    (c) Written and video materials providing health professionals with basic information concerning the test and its potential psychological effects.
37. Beginning on October 1, 1985, the Department of Health Services shall submit to the chairperson of the fiscal committee of each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee quarterly status reports on the testing program specified in Chapter 23 of the Statutes of 1985.
38. The department shall adhere to the following requirements when spending the $1,500,000 augmentation for mental health needs arising from the HTLV-III Anti-bodies test.
    (a) The funds shall be spent on (1) training staff in crisis centers on the treatment of AIDS patients or (2) short-term counseling, not to exceed five visits per individual, for individuals who have taken the ELISA test and need additional counseling.
    (b) The department shall develop the request

for proposals in conjunction with the Department of Mental Health.

(c) Funds shall be allocated through the competitive bid process established by Chapter 1257 of the Statutes of 1983.

(d) The department shall include in the request for proposals, language that authorizes grantees to accept donations from those receiving services.

39. The department shall ensure that (a) educational materials on AIDS are made available in languages other than English, as needed, and that (b) agencies receiving information and education funds coordinate their plans to avoid duplication of effort.

40. The funds available for AIDS information and education contracts may be used for purposes including, but not limited to, (a) General education of the public; and (b) Support of a media campaign on AIDS. The department shall create a reserve with $100,000 of these funds, which shall be used to address specific situations where public concern or fear of AIDS has become, or threatens to become, a problem as determined by the director.

41. Agencies receiving contracts for AIDS information and education projects may include in their contract up to: (a) 15 percent in overhead costs as long as the overhead is directly related to the project funded by the department; and (b) 20 percent in overhead costs if the committee established pursuant to Chapter 1257, Statutes of 1983 determines that exceptional circumstances exist. All contractors must attest, under penalty of perjury, that the overhead costs claimed are directly related to the project funded by the department. It is the intent of the Legislature that restrictions on overhead costs shall prevent any increase in the size of the state bureaucracy.

42. The department shall (a) develop and submit to the Legislature by October 31, 1985, a comprehensive plan to address the information and education, testing, mental health, research, and treatment needs resulting from the AIDS epidemic, and (b) consider the needs identified when developing the 1986–87 Budget.

43. The committee established pursuant to Chapter 1257 of the Statutes of 1983 shall establish and convene an advisory group consisting of (a) rep-

resentatives of the committee; (b) the University of California AIDS Research Committee; (c) providers; (d) the Legislature; and (e) the executive branch in order to review both the department's comprehensive plan and issues regarding implementation. The group shall meet no less than twice a year and report its findings to the Legislature and the Governor.

45. The department shall ensure that hypertension control areas, shall subcontract with the Asian Pacific Islander Task Force, the East Los Angeles Task Force, and the Martin Luther King-Drew Medical Center for no less than $60,000 each.

46. Of the amount appropriated by this item, $747,000 shall be used to fund hypertension control services for identified hypertensive patients of target ethnic groups in Los Angeles, the San Francisco Bay Area, Fresno, and San Diego.

47. The department shall periodically evaluate the hypertensive control services provided to determine their effectiveness in assisting patients to maintain preferred treatment regimes.

48. The department shall issue contracts to evaluate the effectiveness of the AIDS information and education materials produced by its contractors and shall submit a written evaluation to all appropriate parties.

49. The department shall spend $250,000 on education of hospital, home health agency and attendance care workers. In expending the funds, the department:

(a) Shall ensure that educational materials shall be developed in languages other than English.

(b) Shall allocate funds through the competitive process established by Chapter 1257 of the Statutes of 1983.

(c) Shall ensure that local agencies allocated funds coordinate plans to avoid duplication of effort.

52. The department, in consultation with the counties, shall develop a method for including assets in determining eligibility and repayment obligations, based on the systems proposed by the southern California CCS administrators and the Auditor General, a combination of these systems, or other methods.

The department shall submit to the fiscal

committees and the Joint Legislative Budget Committee by December 1, 1985, a detailed plan for a pilot project to collect information on the feasibility of implementing the method selected by the department. Under the pilot project, families would submit information about assets for purposes of information gathering and testing administrative procedures. Actual eligiblity and repayment obligations would be based on existing law. The plan shall include (a) a detailed description of the proposed method and the specific administrative procedures involved, (b) a schedule for implementing the pilot project, (c) an evaluation plan, and (d) a procedure for reimbursing county administrative costs.

The department shall implement the nine-month pilot program in no fewer than four independent counties by February 1, 1986. The department shall make status reports available as requested.

The department shall submit to the fiscal committees and the Joint Legislative Budget Committee a final evaluation by April 1, 1987. The evaluation report shall include, at a minimum, a comparison between the current system and the method tested of (a) the number of families that are determined eligible; (b) the costs for services to eligible clients; (c) the number of families subject to repayment; (d) the total repayments assessed; distributed by the amount of the repayment; and (e) county and state administrative costs. The report shall also identify problems with implementing the method and discuss how the tested system might be modified to ameliorate these problems.

53. The California Children's Services program and the Audits and Investigations Division shall jointly develop a schedule and procedures by October 1, 1985, that ensure independent CCS programs are comprehensively reviewed every two years for compliance with both programmatic and fiscal requirements. The program and the division shall each conduct comprehensive reviews according to these procedures in four independent counties by December 31, 1985, four by March 30, 1986, and four by June 30, 1986. The 12 counties reviewed by each unit

shall represent at least 40 percent of CCS payments. The reports shall be available 60 days after completion of the reviews.

These reviews shall include an examination of a sample of records to determine compliance with the department's existing requirements, specifically including, but not limited to, insurance company billing, referral to Medi-Cal, collection of repayment obligations, caseload closure, and pharmaceutical payments. The department shall also develop and implement formal procedures and timelines for followup on review findings. The procedures shall involve county submission of a corrective action plan and regular onsite followup by department staff to ensure compliance with program requirements when reviews indicate deficiencies.

56. In 1985–86, the department shall survey rural, unsurveyed counties to detect sites that pose a potential threat to the public health and the environment. The following procedures shall be used in surveying counties to detect potential hazardous waste sites: (a) review history of hazardous materials and waste generation in the county; (b) review available information from county/local agencies and the regional water quality control boards; and (c) conduct initial assessments for all potential sites identified.

57. The department shall notify the chairpersons of the appropriate legislative policy committees, the legislative fiscal committees, and the Joint Legislative Budget Committee and the members whose districts include a Superfund site on the federal National Priority List whenever a change occurs as to the governmental agency with lead responsibility for the mitigation at that site. The notification shall include an explanation for that change in reference to the criteria for deciding lead status submitted by the department to the Legislature in May 1985. The department shall provide the notification 30 days prior to the change or within 10 days after the change in an emergency or in the case of imminent or substantial endangerment of public health.

58. The sum of $500,000 is appropriated to the Department of Health Services to fund a contract for purposes of training local health department personnel in the management and control of

hazardous waste. The contractor shall conduct training sessions in locations throughout the state. The training sessions shall include, but not be limited to, the following:

(a) Statutes and regulations dealing with hazardous waste emphazing recent changes in federal and state statutes and regulations.
(b) Inspection of hazardous waste storage facilities. Training to include procedures for working with law enforcement agencies and collection and presentation of evidence in legal proceedings.
(c) Personnel protection and safety.
(d) Manifest requirements for hazardous waste generators, transporters and storers.
(e) Department of Transportation Title 49 requirements.
(f) Emergency response to hazardous waste spills.
(g) Hazardous waste treatment technology.
(h) Remedial action, site cleanup and mitigation.

The contractor shall have demonstrated abilities in the following areas:

(a) Curriculum development and provision of training in the public health aspects of hazardous waste management.
(b) Development of needs assessments and program evaluation instruments as such instruments relate to local public health agencies.
(c) Experience in provision of training to local public health agency personnel.
(d) Capabilities to recruit expert consultants in the field of hazardous waste management including indivduals with expertise in the delivery of local programs.
(e) Detailed knowledge of the delivery of local public health services.
(f) Detailed knowledge of local hazardous waste management programs.

59. The Department of Health Services shall complete a study which identifies types or categories of hazardous wastes which should not be placed in or onto the land due to the toxicity, persistence, mobility or bioaccumlative properties of the waste. The department shall propose regulations by June 30, 1986, to restrict these wastes from land disposal.

60. The Department of Finance may authorize the transfer of funds appropriated in Item 4260-010-455 if it notifies the Legislature pursuant to Section 28 of this act and submits complete documentation regarding how the transferred funds would be spent and justification for the proposed expenditures.
61. The total amount of expenditures from Items 4260-020-455 and 4260-030-455 shall not exceed the total amount received from responsible parties.
62. Reimbursements from responsible parties for expenditures from the Hazardous Substance Account or other state funds, excluding bond act funds, shall be scheduled in Item 4260-030-455. The Department of Finance may authorize the expenditure of funds appropriated in Item 4260-030-455 to Item 4260-020-455 if it notifies the Legislature pursuant to Section 28.00 of this act and submits complete documentation regarding how the transferred funds would be spent and justification for the proposed expenditure.
65. The reduction of $750,000 relating to the proposed need for additional laboratory needs in the Toxic Substances Control Division is exempt from Section 13332.15 of the Government Code.
63. Except as otherwise prohibited by law, the department shall promulgate emergency regulations to adjust the public health fees set by regulation to an amount, such that if the new fees were effective throughout the 1985–86 fiscal year, the estimated revenues would be sufficient to offset at least 95% of the approved program level intended to be supported by such fees. This provision shall not apply to the fees for bottled water licenses, water vending machines and shellfish certificates. For radioactive materials licenses, the approved program level shall be calculated based on the total approved program level less the portion of the total approved program level attributable to fee-exempt facilities.
66. Of the amounts appropriated for hypertension control projects, $180,000 shall be used to conduct a study on stress and hypertension among bus drivers.

SEC. 3. This act is an urgency statute necessary for the immedi-

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

In order to obtain substantial savings of state funds through the utilization of a private contractor for the processing of claims under the Child Health and Disability Program, as soon as possible, it is necessary that this act go into immediate effect.

CHAPTER 130

An act to amend Section 27315 of the Vehicle Code, relating to seatbelts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 2, 1986 Filed with Secretary of State June 3, 1986]

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

SECTION 1. Section 27315 of the Vehicle Code is amended to read:

27315. (a) The Legislature finds that a mandatory seatbelt law will contribute to reducing highway deaths and injuries by encouraging greater usage of existing manual seatbelts, that automatic crash protection systems which require no action by vehicle occupants offer the best hope of reducing deaths and injuries, and that encouraging the use of manual safety belts is only a partial remedy for addressing this major cause of death and injury. The Legislature declares that the enactment of this section is intended to be compatible with support for federal safety standards requiring automatic crash protection systems and should not be used in any manner to rescind federal requirements for installation of automatic restraints in new cars.

(b) This section shall be known and may be cited as the Private Passenger Motor Vehicle Safety Act.

(c) As used in this section, "private passenger motor vehicle" means any passenger vehicle as defined in Section 465 and any motortruck as defined in Section 410 of less than 6,001 pounds unladen weight, but "private passenger motor vehicle" does not include a motorcycle as defined in Section 400.

(d) No person shall operate a private passenger motor vehicle on a highway unless that person and all passengers four years of age or over are restrained by a safety belt, except that the operator of a taxicab, as defined in Section 27908, or the operator of a limousine for hire, or the operator of an authorized emergency vehicle, as defined in subdivision (a) of Section 165, shall not operate the taxicab, limousine for hire, or authorized emergency vehicle unless the operator and any passengers four years of age or over in the front seat

are restrained by a safety belt.

(e) No person 16 years of age or over shall be a passenger in a private passenger motor vehicle on a highway unless that person is restrained by a safety belt.

(f) Every owner of a private passenger motor vehicle operated on a highway shall maintain safety belts in good working order for the use of occupants of the vehicle. The safety belts shall conform to motor vehicle safety standards established by the United States Department of Transportation. This subdivision does not, however, require installation or maintenance of safety belts where not required by the laws of the United States applicable to the vehicle at the time of its initial sale.

(g) This section does not apply to a passenger or operator with a physically disabling condition or medical condition which would prevent appropriate restraint in a safety belt, if the condition is duly certified by a licensed physician and surgeon or by a licensed chiropractor who shall state the nature of the condition, as well as the reason the restraint is inappropriate. This section also does not apply to a peace officer, as defined in Section 830 of the Penal Code, when in an authorized emergency vehicle as defined in paragraph (1) of subdivision (b) of Section 165, or to any passenger in any seat behind the front seat of an authorized emergency vehicle as defined in paragraph (1) of subdivision (b) of Section 165 operated by the peace officer, unless required by the agency employing the peace officer.

(h) Notwithstanding subdivision (a) of Section 42001, any violation of subdivision (d), (e), or (f) is an infraction punishable by a fine, including all penalty assessments and court costs imposed on the convicted person, of not more than twenty dollars ($20) for a first offense, and a fine, including all penalty assessments and court costs imposed on the convicted person, of not more than fifty dollars ($50) for each subsequent offense. In lieu of the fine and any penalty assessment or court costs, the court, pursuant to Section 42005, may order that a person convicted of a first offense attend a school for traffic violators or a driving school in which the use of safety belts is demonstrated.

(i) In any civil action, a violation of subdivision (d), (e), or (f) or information of a violation of subdivision (h) shall not establish negligence as a matter of law or negligence per se for comparative fault purposes, but negligence may be proven as a fact without regard to the violation.

(j) Notwithstanding Section 40300 or any other provision of law, a peace officer shall not stop or seize a person for a violation of subdivision (d), (e), or (f), nor arrest or issue a notice to appear or notice to correct for a violation of those subdivsions if the officer has no other cause to stop or seize the person other than a violation of subdivision (d), (e), or (f).

(k) If the United States Secretary of Transportation fails to promulgate safety standards for manual safety belt systems by

September 1, 1989, no private passenger motor vehicle manufactured after that date for sale or sold in this state shall be registered unless it contains a manual safety belt system which meets the performance standards applicable to automatic crash protection devices promulgated by the Secretary of Transportation pursuant to Federal Motor Vehicle Safety Standard No. 208 (49 C.F.R. Sec. 571.208) as in effect on January 1, 1985.

(*l*) Each private passenger motor vehicle offered for original sale in this state which has been manufactured on or after September 1, 1989, shall comply with the automatic restraint requirements of Section S4.1.2.1 of Federal Motor Vehicle Safety Standard No. 208 (49 C.F.R. Sec. 571.208), as published in Volume 49 of the Federal Register, No. 138, page 29009. Any automobile manufacturer who sells or delivers a private passenger motor vehicle subject to the requirements of this subdivision who fails to comply with this subdivision shall be punished by a fine of not more than five hundred dollars ($500) for each sale or delivery of a noncomplying private passenger motor vehicle.

(m) Compliance with subdivision (k) or (*l*) by a manufacturer shall be made by self-certification in the same manner as self-certification is accomplished under federal law.

(n) This section does not apply to a person actually engaged in delivery of newspapers to customers along the person's route if the person is restrained by a safety belt prior to commencing and subsequent to completing delivery on the route.

(o) This section does not apply to a person actually engaged in collection and delivery activities as a rural delivery carrier for the United States Postal Service if the person is restrained by a safety belt prior to stopping at the first box and subsequent to stopping at the last box on the route.

(p) Subdivisions (d), (e), (f), (g), and (h) shall become inoperative immediately upon the date that the Secretary of the United States Department of Transportation, or his or her delegate, determines to rescind the portion of the Federal Motor Vehicle Safety Standard No. 208 (49 C.F.R. Sec. 571.208) which requires the installation of automatic restraints in new private passenger motor vehicles; provided, however, that those subdivisions shall not become inoperative if the secretary's decision to rescind Standard No. 208 is not based, in any respect, on the enactment or continued operation of those subdivisions.

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

The requirement for safety belt restraint of passengers in emergency vehicles, including prisoners in police cars, victims and attending medical care personnel in ambulances and fire department vehicles, and passengers in limousines, like passengers in taxicabs may cause more harm than it promotes safety, or the use of

the restraints by passengers may not be controllable by the operator who must, for public safety reasons, transport them. Therefore, in order to provide exemptions for those persons in the interest of the greater public safety at the earliest possible time, and to eliminate any ambiguity regarding the use of safety belts by passengers who are four years of age or over at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 131

An act to amend Section 5091.16 of the Public Resources Code, relating to parking, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 2, 1986. Filed with Secretary of State June 3, 1986]

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

SECTION 1. Section 5091.16 of the Public Resources Code is amended to read:

5091.16. In order to allow sufficient time to acquaint the public with the requirements of this chapter, if any person cited in accordance with Section 5091.15 presents, by mail or in person, proof of issue of a SNO-PARK permit on or before the date on which he or she promised to appear, the court shall dismiss the violation for failure to display a SNO-PARK parking permit when required.

This section shall become inoperative on May 30, 1986, or the effective date of the bill amending this section in the 1985–86 Regular Session of the Legislature, whichever is later, and, as of January 1, 1987, is repealed, unless a later enacted statute, which becomes effective on or before January 1, 1987, deletes or extends the dates on which it becomes inoperative and is repealed.

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

In order for this act to apply to the 1986–87 winter season beginning November 1, 1986, it is necessary that this act take effect immediately.

CHAPTER 132

An act to add Section 61601.4 to the Government Code, relating to special districts.

[Approved by Governor June 2, 1986. Filed with Secretary of State June 3, 1986.]

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

SECTION 1. Section 61601.4 is added to the Government Code, to read:

61601.4. (a) Notwithstanding Section 61600 or Section 20681 of the Public Contract Code, the Board of Directors of the Big Bear City Community Services District may determine by resolution that it is feasible, economically sound, and in the public interest for the district to enter into a joint exercise of powers agreement pursuant to Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 with the City of Big Bear Lake or the County of San Bernardino, or both, for the acquisition, operation, and maintenance of the electric distribution system which presently serves the district or for the construction and replacement of, or for additions or improvements to, this system.

(b) The board may adopt this additional purpose by resolution entered in the minutes of a meeting of the board, and thereafter the district may exercise these powers. The district may exercise no power over any other electric distribution system, and may only exercise these powers through a joint exercise of powers agreement.

SEC. 2. The Legislature finds and declares that the electric distribution system in the Big Bear City Community Services District is currently owned and operated by a privately owned public utility and is soon to be acquired by the City of Big Bear Lake and the County of San Bernardino, and that it is in the public interest to allow the district to participate in the acquisition, operation, and maintenance of that system. The Legislature further finds and declares that these facts and circumstances are applicable only to the district and are not generally applicable, that the accomplishment of this purpose is impossible by any general law, and that a special statute within the meaning of Section 16 of Article IV of the California Constitution applicable only to the Big Bear City Community Services District is therefore necessary.

CHAPTER 133

An act to amend Section 7302 of the Business and Professions Code, relating to the State Board of Cosmetology.

[Approved by Governor June 2, 1986 Filed with Secretary of State June 3, 1986]

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

SECTION 1. Section 7302 of the Business and Professions Code is amended to read:

7302. A person appointed as a member of the board:

(a) With the exception of a public member, shall be registered as a cosmetologist, or any of its branches, under this chapter, or participate actively in the management of a school of cosmetology or electrology as the owner of, or as a member of a partnership or officer of a corporation which owns, such school.

(b) With the exception of a public member, shall be, at the time of appointment, either actually engaged in conducting a cosmetological establishment, or actually engaged in the practice of cosmetology, or any of its branches, or electrology.

(c) Shall be of good moral character.

(d) Shall not be connected, directly or indirectly, in the wholesale business of the manufacture, rental, sale or distribution of cosmetological appliances or supplies.

(e) With the exception of a public member, shall have had at least five years' experience in the actual practice of cosmetology, or any of its branches, or electrology in this state immediately prior to the appointment. Persons shall be considered to be engaged in the actual practice of cosmetology, or any of its branches, or electrology within the meaning of this subdivision if they participate actively in the management of a school of cosmetology or electrology as the owner of, or as a member of a partnership or officer of a corporation which owns, such school.

(f) Shall be at least 25 years of age.

The public members shall not be licentiates of the board.

CHAPTER 134

An act to amend Section 33012 of the Health and Safety Code, relating to redevelopment.

[Approved by Governor June 2, 1986 Filed with Secretary of State June 3, 1986]

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

SECTION 1. Section 33012 of the Health and Safety Code is amended to read:

33012. (a) "Financial burden or detriment" means either of the following:

(1) A net increase in the quality or quantity of a service of the affected taxing entity caused by the redevelopment project.

(2) A loss of property tax revenues by the affected taxing entity produced by a change of ownership or new construction which would have been received, or was reasonably expected to have been received, by the taxing entity if the redevelopment project was not established.

(b) The division of taxes pursuant to Section 33670, by itself, shall not constitute a financial burden or detriment.

(c) This section shall remain in effect only until January 1, 1989, and as of that date is repealed, unless a later enacted statute, which is chaptered before January 1, 1989, deletes or extends that date.

CHAPTER 135

An act to amend Section 40227 of the Health and Safety Code, relating to the Bay Area Air Quality Management District.

[Approved by Governor June 3, 1986 Filed with Secretary of State June 3, 1986]

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

SECTION 1. Section 40227 of the Health and Safety Code is amended to read:

40227. Each member of the bay district board shall receive actual and necessary expenses incurred in the performance of board duties, and may receive compensation, to be determined by the bay district board, not to exceed one hundred dollars ($100) for each day attending the meetings of the bay district board and committee meetings thereof, or, upon authorization of the bay district board, while on official business of the bay district, but the compensation shall not exceed six thousand dollars ($6,000) in any one year. Compensation pursuant to this section shall be fixed by ordinance.

CHAPTER 136

An act to amend Section 65979 of the Government Code, relating to school facilities.

[Approved by Governor June 5, 1986. Filed with Secretary of State June 6, 1986]

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

SECTION 1. Section 65979 of the Government Code is amended to read:

65979. (a) One year after receipt of an apportionment pursuant to the Leroy F. Greene State School Building Lease-Purchase Law of 1976 (Chapter 22 (commencing with Section 17700 of Part 10 of the Education Code) for the construction of a school, the city or county shall not be permitted thereafter, pursuant to this chapter or pursuant to any other school facilities financing arrangement the district may have with builders of residential development, to levy any fee or to require the dedication of any land within the attendance area of the school for which the apportionment was received. However, any time after receipt of the apportionment there may be a determination of overcrowding pursuant to Section 65971, if both of the following further findings are made:

(1) That during the period of construction, or after construction has been completed, additional overcrowding would occur from continued residential development.

(2) That any fee levied and any required dedication of land levied after the receipt of the construction apportionment can be used to avoid the additional overcrowding prior to the school being available for use by the school district.

(b) Any amounts of fees collected or land dedicated after the receipt of the construction apportionment and not used to avoid overcrowding shall be returned to the person who paid the fee or made the land dedication.

CHAPTER 137

An act to amend Section 7135 of the Business and Professions Code, relating to contractors.

[Approved by Governor June 5, 1986 Filed with Secretary of State June 6, 1986.]

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

SECTION 1. Section 7135 of the Business and Professions Code is amended to read:

7135. (a) The fees and civil penalties received under this chapter shall be deposited in the Contractors' License Fund. All moneys in the fund are hereby appropriated for the purposes of this chapter.

(b) It is the intent of the Legislature that the board shall use moneys appropriated from the fund to improve its administrative and investigative oversight activities and capacity.

CHAPTER 138

An act to amend Section 17510.3 of the Business and Professions Code, relating to charitable solicitations.

[Approved by Governor June 7, 1986 Filed with Secretary of State June 9, 1986.]

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

SECTION 1. Section 17510.3 of the Business and Professions Code is amended to read:

17510.3. (a) Prior to any solicitation or sales solicitation for charitable purposes, the solicitor or seller shall exhibit to the prospective donor or purchaser a card entitled "Solicitation or Sale for Charitable Purposes Card." The card shall be signed and dated under penalty of perjury by an individual who is a principal, staff member, or officer of the soliciting organization. The card shall give the name and address of the soliciting organization or the person who signed the card and the name and business address of the paid individual who is doing the actual soliciting.

In lieu of exhibiting a card, the solicitor or seller may distribute during the course of the solicitation any printed material, such as a solicitation brochure, provided such material complies with the standards set forth below, and provided that the solicitor or seller informs the prospective donor or purchaser that such information as required below is contained in the printed material.

Information on the card or printed material shall be presented in at least 10-point type and shall include the following:

(1) The name and address of the combined campaign, each organization, or fund on behalf of which all or any part of the money collected will be utilized for charitable purposes.

(2) If there is no organization or fund, the manner in which the money collected will be utilized for charitable purposes.

(3) The amount, stated as a percentage of the total gift or purchase price, that will be used for charitable purposes.

(4) If paid fund raisers are paid a set fee rather than a percentage of the total amount raised, the card shall show the total cost that is estimated will be used for direct fundraising expenses.

(5) If the solicitation is not a sale solicitation, the card may state,

in place of the amount of fundraising expenses, that an audited financial statement of such expenses may be obtained by contacting the organization at the address disclosed.

(6) The non-tax-exempt status of the organization or fund, if the organization or fund for which the money or funds are being solicited does not have a charitable tax exemption under both federal and state law.

(7) The percentage of the total gift or purchase price which may be deducted as a charitable contribution under both federal and state law. If no portion is so deductible the card shall state that "This contribution is not tax deductible."

(8) If the organization making the solicitation represents any nongovernmental organization by any name which includes, but is not limited to, the term "officer," "peace officer," "police," "law enforcement," "reserve officer," "deputy," "California Highway Patrol," "Highway Patrol," or "deputy sheriff," which would reasonably be understood to imply that the organization is composed of law enforcement personnel, the solicitor shall give the total number of members in the organization and the number of members working or living within the county where the solicitation is being made, and if the solicitation is for advertising, the statewide circulation of the publication in which the solicited ad will appear.

(b) Knowing and willful noncompliance by any individual volunteer who receives no compensation of any type from or in connection with a solicitation by any charitable organization shall subject the solicitor or seller to the penalties of the law.

(c) When the solicitation is not a sales solicitation, any individual volunteer who receives no compensation of any type from, or in connection with, a solicitation by any charitable organization may comply with the disclosure provisions by providing the name and address of the charitable organization on behalf of which all or any part of the money collected will be utilized for charitable purposes, by stating the charitable purposes for which the solicitation is made, and by stating to the person solicited that information about revenues and expenses of such organization, including its administration and fundraising costs, may be obtained by contacting the organization's office at the address disclosed. Such organization shall provide such information to the person solicited within seven days after receipt of the request.

(d) A volunteer who receives no compensation of any type from, or in connection with, a solicitation or sales solicitation by a charitable organization which has qualified for a tax exemption under Section 501(c)(3) of the Internal Revenue Code of 1954, and who is 18 years of age or younger, is not required to make any disclosures pursuant to this section.

CHAPTER 139

An act to add Section 455.5 to the Public Utilities Code, relating to public utilities.

[Approved by Governor June 7, 1986 Filed with Secretary of State June 9, 1986]

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

SECTION 1. Section 455.5 is added to the Public Utilities Code, to read:

455.5. (a) In establishing rates for any electrical, gas, heat, or water corporation, the commission may eliminate consideration of the value of any portion of any electric, gas, heat, or water generation or production facility which, after having been placed in service, remains out of service for nine or more consecutive months, and may disallow any expenses related to that facility. Upon eliminating consideration of any portion of a facility or disallowing any expenses related thereto under this section, the commission shall reduce the rates of the corporation accordingly and shall, for accounting purposes, record the value of that portion of the facility in a deferred debit account and shall treat this amount similar to the treatment of the allowance for funds used during construction. When that portion of the facility is returned to useful service, as provided in subdivision (c), the corporation may apply to the commission for the inclusion of its value and expenses related to its operation for purposes of the establishment of the corporation's rates.

(b) Every electrical, gas, heat, and water corporation shall periodically, as required by the commission, report to the commission on the status of any portion of any electric, gas, heat, or water generation or production facility which is out of service and shall immediately notify the commission when any portion of the facility has been out of service for nine consecutive months.

(c) Within 45 days of receiving the notification specified in subdivision (b), the commission shall institute an investigation to determine whether to reduce the rates of the corporation to reflect the portion of the electric, gas, heat, or water generation or production facility which is out of service. The commission's order shall require that rates associated with that facility are subject to refund from the date the order instituting the investigation was issued. The commission shall consolidate the hearing on the investigation with the next general rate proceeding instituted for the corporation.

(d) Upon being informed by the corporation that any portion of its electric, gas, heat, or water generation or production facility which was eliminated from consideration by the commission in establishing rates for being out of service for nine or more consecutive months, pursuant to subdivision (a) or (b), has been

restored to service and has achieved at least 100 continuous hours of operation, the commission may again consider that portion of the facility for purposes of establishing rates, and may adjust the corporation's rates accordingly without a hearing, except that a hearing is required on whether to include, for purposes of establishing rates, any additional plant value added.

(e) Nothing in this section prohibits the commission from reviewing the effects of any electric, gas, heat, or water generation or production facility which has been out of service for less than nine consecutive months.

(f) For purposes of this section, an electric, gas, heat, or water generation or production facility includes only such a facility that the commission determines to be a major facility of the corporation, and does not include any facility determined by the commission to constitute plant held for future use.

CHAPTER 140

An act to repeal Section 39479 of the Education Code, relating to school buildings, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 7, 1986. Filed with Secretary of State June 9, 1986]

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

SECTION 1. Section 39479 of the Education Code is repealed.

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

In order to continue the operation of the joint use of school buildings, it is necessary that this act take effect immediately.

CHAPTER 141

An act to repeal Chapter 10 (commencing with Section 248) of Title 8 of Part 1 of the Penal Code, relating to libel.

[Approved by Governor June 7, 1986 Filed with Secretary of State June 9, 1986.]

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

SECTION 1. Chapter 10 (commencing with Section 248) of Title 8 of Part 1 of the Penal Code is repealed.

CHAPTER 142

An act to amend Section 32518 of, and to repeal Section 39492 of, the Food and Agricultural Code, relating to dairy products.

[Approved by Governor June 7, 1986. Filed with Secretary of State June 9, 1986.]

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

SECTION 1. Section 32518 of the Food and Agricultural Code is amended to read:

32518. Notwithstanding Section 32517, the term "sterilization" or "sterilized" may be used to describe milk and milk products processed under conditions equivalent to sterile processing and aseptically packaged in hermetically sealed containers for sale under refrigerated conditions.

This section shall remain in effect only until January 1, 1989, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1989, deletes or extends that date.

SEC. 2. Section 39492 of the Food and Agricultural Code is repealed.

CHAPTER 143

An act to amend Section 4511 of the Civil Code, relating to family law.

[Approved by Governor June 7, 1986. Filed with Secretary of State June 9, 1986.]

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

SECTION 1. Section 4511 of the Civil Code is amended to read:

4511. (a) No decree of dissolution or of legal separation may be granted upon the default of one of the parties or upon any statement or finding of fact made by a referee; but the court shall, in addition to any statement or finding of the referee, require proof of the grounds alleged, and the proof, if not taken before the court, shall be by affidavit.

(b) If the proof is by affidavit the personal appearance of the affiant shall only be required when it appears to the court that any of the following circumstances exist: reconciliation of the parties is reasonably possible; a proposed child custody order is not in the best interests of the child; a proposed child support order is less than a noncustodial parent is capable of paying; or a personal appearance of any party or interested person would be in the best interests of justice.

(c) Every affidavit submitted pursuant to this section shall contain a stipulation by the affiant that he or she understands that proof will be by affidavit and that he or she will not appear before the court unless so ordered by the court.

CHAPTER 144

An act to amend Section 2613 of the Probate Code, relating to protective proceedings.

[Approved by Governor June 7, 1986 Filed with Secretary of State June 9, 1986]

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

SECTION 1. Section 2613 of the Probate Code is amended to read:

2613. Whenever any property of the ward or conservatee is discovered that was not included in the inventory, or whenever any other property is received by the ward or conservatee or by the guardian or conservator on behalf of the ward or conservatee (other than by the actions of the guardian or conservator in the investment and management of the estate), the guardian or conservator shall file a supplemental inventory and appraisement for that property and like proceedings shall be followed with respect thereto as in the case of an original inventory, but the appraisement shall be made as of the date the property was so discovered or received.

CHAPTER 145

An act to amend Section 42684 of the Food and Agricultural Code, relating to agriculture.

[Approved by Governor June 7, 1986. Filed with Secretary of State June 9, 1986.]

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

SECTION 1. Section 42684 of the Food and Agricultural Code is amended to read:

42684. (a) It is hereby declared that the establishment and maintenance of minimum standards of quality and maturity for fruits, nuts, and vegetables is essential to insure that products of acceptable and marketable quality will be available to the consumer.

(b) Any quality and maturity standards adopted by the director pursuant to this division shall apply to the particular fruit, nut, or vegetable involved regardless of whether the item was produced in

this state or outside of this state.

(c) The director may, upon a petition of a commercial producer or handler that the director finds has a substantial interest in the growing or handling of the particular fruit, nut, or vegetable involved, hold a hearing to establish, modify, or rescind, by regulation, quality and maturity standards for any fruits, nuts, or vegetables.

(d) The director shall, upon a petition of 10 commercial producers or handlers, each of whom the director finds has a separate and substantial interest in the growing or handling of the particular fruit, nut, or vegetable involved, or a petition by the Director of the Department of Consumer Affairs, hold a hearing to establish, modify, or rescind, by regulation, quality and maturity standards for any fruits, nuts, or vegetables.

(e) In establishing, modifying, or rescinding any quality and maturity standard for any fruit, nut, or vegetable pursuant to this chapter, the director shall do all of the following: (1) find that the regulation will provide the consumer with acceptable quality fruits, nuts, and vegetables which will also provide stability in the marketing of these products, (2) find that the regulation will tend to prevent waste in the production and marketing of fruits, nuts, and vegetables, (3) consider the impact of the regulation upon the agricultural industry, and (4) find that the regulation is necessary to accomplish the purposes of this chapter.

(f) All regulations shall be adopted in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. However, the director, or to adopting any emergency regulations for quality and maturity standards for any fruits, nuts, and vegetables, shall hold a public hearing. Notice of the hearing shall be given to all persons known to the director to be interested in the proposed emergency regulations, not less than three days prior to such hearing. Any such public hearing on emergency regulations is not in place of, and shall not preclude the director from holding, a public hearing within 120 days after adoption of emergency regulations to make the emergency regulations permanent.

CHAPTER 146

An act to amend Section 2895 of, and to add Section 2872.2 to, the Business and Professions Code, relating to vocational nurses, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 9, 1986. Filed with Secretary of State June 10, 1986]

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

SECTION 1. Section 2872.2 is added to the Business and Professions Code, to read:

2872.2. An applicant for license by examination shall submit a written application in the form prescribed by the board.

After completion of a board accredited or approved nursing program and approval of the application, the board may issue an interim permit authorizing the applicant to practice vocational nursing pending the results of the first licensing examination.

If the applicant passes the examination, the interim permit shall remain in effect until an initial license is issued by the board. If the applicant fails the examination, the interim permit shall terminate upon notice by certified mail, return receipt requested, or if the applicant fails to receive the notice, upon the date specified in the interim permit.

A permittee shall function under the supervision of a licensed vocational nurse or a registered nurse, who shall be present and available on the premises during the time the permittee is rendering professional services. The supervising licensed vocational nurse or registered nurse may delegate to the permittee any function taught in the permittee's basic nursing program.

An interim permittee shall not use any title or designation other than vocational nurse interim permittee or "V.N.I.P."

SEC. 2. Section 2895 of the Business and Professions Code is amended to read:

2895. The amount of the fees prescribed by this chapter in connection with the issuance of licenses under its provisions is that fixed by the following schedule:

(a) The fee to be paid upon the filing of an application shall be fixed by the board, with the approval of the director, at not more than fifty dollars ($50).

(b) The fee for any examination after the first shall be fixed by the board, at not more than thirty-five dollars ($35).

(c) The renewal fee shall be fixed by the board, with the approval of the director, at not more than fifty dollars ($50).

(d) Notwithstanding Section 163.5, the delinquency fee for failure to pay the renewal fee within the prescribed time shall be fixed by the board at not more than 50 percent of the regular renewal fee but not more than twenty-five dollars ($25).

(e) The initial license fee is an amount equal to the renewal fee in effect on the date the application for the license is filed.

(f) The fee to be paid for an interim permit shall be fixed by the board, at no more than twenty dollars ($20).

No further fee shall be required for a license or a renewal thereof other than as prescribed by this chapter.

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

The Board of Vocational Nurse and Psychiatric Technician Examiners will re-enter the National Council of State Boards of Nursing in July 1986, and will utilize the National Examination (NCLEX-PN). This change will reduce licensure examination administrations from four to two each year. In order that vocational nurses may be employed during the longer period between examinations, it is necessary that this act go into immediate effect.

CHAPTER 147

An act to amend Section 42451 of the Health and Safety Code, relating to air pollution.

[Approved by Governor June 11, 1986. Filed with Secretary of State June 12, 1986.]

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

SECTION 1. Section 42451 of the Health and Safety Code is amended to read:

42451. (a) On its own motion, or upon the motion of the district board or the air pollution control officer, the hearing board may, after notice and a hearing, issue an order for abatement whenever it finds that any person is in violation of Section 41700 or 41701 or of any order, rule, or regulation prohibiting or limiting the discharge of air contaminants into the air.

(b) As an alternative to subdivision (a), the hearing board may issue an order for abatement pursuant to the stipulation of the air pollution control officer and the person or persons accused of violating Section 41700 or 41701, or any order, rule, or regulation prohibiting or limiting the discharge of contaminants into the air, upon the terms and conditions set forth in the stipulation, without making the finding required under subdivision (a). The hearing board shall, however, include a written explanation of its action in the order for abatement.

CHAPTER 148

An act to add and repeal Article 2.5 (commencing with Section 44929.1) to Chapter 4 of Part 25 of, the Education Code, relating to employment of private sector teachers.

[Approved by Governor June 11, 1986 Filed with Secretary of State June 12, 1986.]

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

SECTION 1. Article 2.5 (commencing with Section 44929.1) is added to Chapter 4 of Part 25 of the Education Code, to read:

Article 2.5. Private Sector Teacher Program

44929.1. The Legislature finds and declares that private industry is a teaching resource for public schools. It is the intent of the Legislature to provide a means whereby a school district or county office of education may utilize qualified private industry personnel on a full-time employment exchange basis with certificated school district employees or certificated employees of a county office of education, or as part-time teachers in a specified subject area if there is a shortage of properly certificated school district or county office of education employees available to teach in that specified subject area.

44929.2. The governing board of any school district or county office of education may enter into an agreement with a private company for the exchange and employment of regular credentialed employees, and employees of the private company. Any certificated school district employee or certificated county office of education employee employed as provided in this subdivision shall be known as a "school district exchange employee" or a "county office of education exchange employee" respectively. Any private sector employee employed as provided in this subdivision shall be known as a "private sector exchange teacher." For purposes of this article, "private company" means any business entity that is not a public entity. No exchange shall be made without the consent of the employee to be exchanged. The district may require as a condition for being a school district or county office of education employee that the employee shall agree in writing to render service in the employ of the governing board of the district or the county office of education upon his or her return for a period of two years.

44929.3. Due consideration shall be given to the general qualifications and professional status of the school district employee or county office of education employee compared to the general qualifications and professional status of the private sector employee for whom exchanged. It shall not be a requirement that the school district employee or county office of education employee assume the

duties of the private sector employee, or that the private sector employee teach the same subject or grade, or both, as the school district employee or county office of education employee for whom exchanged.

44929.4. No person may be employed as a private sector exchange teacher by a school district or county office of education in the state unless he or she holds an emergency credential or any other valid, current credential issued by the Commission on Teacher Credentialing authorizing him or her to serve in a position requiring certification in the school district or by the county office of education proposing to employ him or her.

44929.5. A private sector exchange teacher shall teach with the assistance and guidance of a teacher holding a valid, current credential issued by the Commission on Teacher Credentialing.

44929.6. Prior to assuming classroom duties, an exchange teacher designee shall complete a fieldwork assignment consisting of working in a classroom with a credentialed teacher for one regularly scheduled summer session or its equivalent.

The school district shall assign the private sector exchange teacher to a subject that as closely as possible approximated the subject matter to be taught the following year.

44929.7. A school district or county office of education may employ a full-time private sector exchange teacher in a bona fide employee exchange in which a school district exchange employee or county office of education exchange employee is employed full time by the private sector employer and employed during the same time period as the private sector exchange teacher serves in a certificated capacity in the school district or for the county office of education. The private sector exchange teacher and school district exchange employee or county office of education exchange employee shall participate in the exchange for a specified period, not to exceed one school year.

44929.8. The private sector employer shall continue to pay the private sector exchange teacher his or her regular salary, and make all regular salary deductions during the period of the exchange.

44929.9. The school district or county office of education employing the private sector exchange teacher shall continue to pay the regular salary of the school district exchange employee or county office of education exchange employee and make all deductions required by law, including, but not limited to, retirement contributions during the period of the exchange.

44929.10. A school district exchange employee or a county office of education exchange employee this section shall have the same rights as exchange certificated employees under Section 44854.

44929.11. The governing board of any school district or any county office of education may enter into an agreement with a private company for the employment of an employee of the private company as a part-time private sector teacher by the school district or county office of education. Any private sector employee employed

as provided in this section shall be known as a "part-time private sector teacher."

44929.12. No person may be employed as a part-time private sector teacher by a school district or county office of education unless he or she holds an emergency teaching credential or any other valid, current credential issued by the Commission on Teacher Credentialing authorizing him or her to serve in a position requiring certification in the school district or county office of education proposing to employ him or her.

44929.13. (a) A school district or county office of education may employ a part-time private sector teacher for not more than two class periods per day in any one semester if the governing board of the employing school district or the county office of education certifies to the Commission on Teacher Credentialing that there is a shortage within that school district or the jurisdiction of the county office of education of available certificated employees in a specified subject area. The part-time private sector teacher may only teach a subject area in which a shortage of available certificated employees exists.

(b) For the purposes of this section, no school district or county office of education shall certify a teacher shortage in a specified subject area, unless it determines all of the following:

(1) No qualified teacher is available from outside the school district or county office of education.

(2) No teacher currently teaching in the school where the private sector employee will be utilized is qualified to teach the class.

(3) No qualified teacher in the school requested the assignment.

(4) Whether transfer from another school is appropriate.

(5) If a transfer is appropriate, whether any teacher qualified within the school district to teach the class requested a transfer for that purpose.

(c) This certification shall include a written statement as to both of the following:

(1) Whether the exclusive representative of employees, if any, as provided in Chapter 10.7 (commencing with Section 3540) of Division 4 of Title 1 of the Government Code, participated in the development of the certification.

(2) The exclusive representatives position regarding the certification of shortage. If in the opinion of the bargaining unit the school district or county office of education failed to follow the steps in subdivision (b), the private sector credential shall not be issued until the Commission on Teacher Credentialing, at its next regularly scheduled meeting determines that the school district or county office of education followed the procedure in subdivision (b). The Commission on Teacher Credentialing shall make its determination solely on whether the school district or county office of education followed the steps in subdivision (b).

(d) For the purposes of subdivision (b), "qualified" includes, but is not limited to, the appropriate credential with teaching experience and demonstrated expertise in the subject area at the level for which

the shortage exists.

44929.14. (a) Private sector exchange teachers and part-time private sector teachers shall be required to perform all duties inherent in their school district or county office of education assignments, including, but not limited to, attending (1) staff meetings, (2) department meetings, (3) school open house, and (4) parent conferences.

(b) Part-time private sector teachers may not be required to supervise noninstructional activities.

44929.15. The governing board of each school district or the county office of education employing a private sector exchange teacher or, part-time private sector teacher shall develop and implement a professional development plan for each private sector exchange teacher and part-time private sector teacher that shall provide a minimum of 45 hours of pedagogical preparation. A minimum of 10 of the 45 hours shall be prior to assuming classroom duties.

44929.16. This chapter shall remain in effect only until June 30, 1990, and as of that date is repealed, unless a later enacted statute which is enacted before June 30, 1990, deletes or extends that date.

CHAPTER 149

An act to amend Section 24411 of the Vehicle Code, relating to vehicles.

[Approved by Governor June 11, 1986 Filed with Secretary of State June 12, 1986]

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

SECTION 1. Section 24411 of the Vehicle Code is amended to read:

24411. Notwithstanding any other provision of law, a vehicle may be equipped with not more than eight lamps for use as headlamps while the vehicle is operated or driven off the highway. The lamps shall be mounted at a height of not less than 16 inches from the ground, or more than 12 inches above the top of the passenger compartment, at any place between the front of the vehicle and a line lying on a point 40 inches to the rear of the seat occupied by the driver, shall be wired independently of all other lighting circuits, and, whenever the vehicle is operated or driven upon a highway, shall be covered or hooded with an opaque hood or cover, and turned off.

CHAPTER 150

An act to add Section 45254 to the Education Code, relating to public school employment.

[Approved by Governor June 11, 1986 Filed with Secretary of State June 12, 1986.]

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

SECTION 1. Section 45254 is added to the Education Code, to read:

45254. The budget for the first year of the personnel commission of the school district may be determined by the governing board. The governing board may advance funds for the establishment of the work of the personnel commission.

CHAPTER 151

An act to add Section 853.7a to the Penal Code, and to add Section 40508.5 of the Vehicle Code, relating to courts.

[Approved by Governor June 11, 1986 Filed with Secretary of State June 12, 1986]

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

SECTION 1. Section 853.7a is added to the Penal Code, to read:

853.7a. (a) In addition to the fees authorized or required by any other provision of law, a county may, by resolution of the board of supervisors, authorize the courts of that county to impose an assessment of seven dollars ($7) upon every person convicted under Section 853.7, whether or not a fine is imposed.

(b) The clerk of the court shall deposit the amounts collected under this section in the county treasury. All money so deposited shall be used exclusively for the development and operation of an automated county warrant system.

SEC. 2. Section 40508.5 is added to the Vehicle Code, to read:

40508.5. (a) In addition to the fees authorized or required by any other provision of law, a county may, by resolution of the board of supervisors, authorize the courts of that county to impose an assessment of seven dollars ($7) upon every person convicted under Section 40508, whether or not a fine is imposed.

(b) The courts authorized pursuant to subdivision (a) shall increase the bail schedule amounts to reflect the amount of the assessment imposed by this section.

(c) If bail is returned, the amount of the assessment shall also be returned.

(d) The clerk of the court shall deposit the amounts collected under this section in the county treasury. All money so deposited shall be used exclusively for the development and operation of an automated county warrant system.

CHAPTER 152

An act to amend Section 52324.6 of the Education Code, relating to regional occupational programs, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 11, 1986 Filed with Secretary of State June 12, 1986]

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

SECTION 1. Section 52324.6 of the Education Code is amended to read:

52324.6. (a) Any regional occupational program shall be eligible to apply for apportionments as a necessary small regional occupational program under this section if it is a regional occupational program with an annual total average daily attendance of 350 or less in the prior fiscal year, and the regional occupational program provides instructional service to a comprehensive high school or schools that have an average daily attendance in grades 9 to 12, inclusive, during the fiscal year of less than 350.

A necessary small regional occupational program may apply for a small school regional occupational program service allocation pursuant to this section for each comprehensive high school within its boundaries that has an average daily attendance of less than 350 during the fiscal year, and at which instruction is provided by the regional occupational program.

For each regional occupational program that qualifies as a necessary small regional occupational program, the county superintendents of schools shall annually certify eligibility of regional occupational programs within their jurisdiction for funding under this section based on subdivisions (b) to (d), inclusive.

(b) The Superintendent of Public Instruction shall annually allocate regional occupational program small school service funding, in accordance with the schedule prescribed in this subdivision, for each comprehensive high school with an average daily attendance during the fiscal year of less than 350 that exists within an eligible regional occupational program. Regional occupational programs that do not certify the employment of the minimum number of full-time equivalent certificated employees at each school shall have the total small school regional occupational program service allocation for that school reduced by a pro rata amount, based on the percentage of employee service provided in comparison to the total number of

regional occupational program employees required for full funding.

The necessary small regional occupational program service allocation schedule is as follows:

Average daily attendance per eligible comprehensive high school within the necessary small ROP	Minimum number of full-time equivalent certificated ROP employees required for full funding of ROP service to each small school	Small school service allocation
0–50	0.50	$19,776
51–100	0.83	33,026
101–150	1.00	39,552
151–200	1.17	46,078
201–250	1.33	52,802
251–300	1.50	59,328
301–350	1.67	65,854

The small regional occupation program service allocation shall be adjusted annually by the same percentage cost-of-living adjustment applied to other regional occupational center and program revenue limits.

(c) If a regional occupational program applies for funding under this section, the regional occupational program shall certify to the Superintendent of Public Instruction all concurrently enrolled average daily attendance generated during the previous year in each school to which small regional occupational program service funds were allocated under subdivision (b). The average daily attendance certified under this subdivision shall be subtracted from the regional occupational program's prior year total allowable average daily attendance, and the remainder shall become the current year allowable regional occupational program average daily attendance for all nonconcurrently enrolled students and concurrently enrolled students from schools with enrollments larger than 351 students. This calculation shall be completed the year a regional occupational program applies to become a necessary small regional occupational program. The adjusted allowable daily attendance shall be the new base average daily attendance upon which growth is calculated for nonconcurrently enrolled students and concurrently enrolled students from high schools with enrollments of 351 or more, within an eligible regional occupational program. The same annual growth rate applicable to all other regional occupational programs shall be applied each year to the adjusted allowable average daily attendance calculated for a regional occupational program under this subdivision.

(d) Total annual apportionments for regional occupational programs that qualify for funding under this section as necessary small regional occupational programs shall be calculated in accordance with the following formula:

Total small school ROP allocations for service to comprehensive high schools of less than 350 average daily attendance pursuant to subdivision (b)	+	Reported allowable average daily attendance pursuant to subdivision (c) multiplied by either the statewide average ROP revenue limit or the ROP revenue limit, whichever is greater	=	Total annual state apportionment for a necessary small ROP

(e) Nothing in this section shall be construed to require eligible regional occupational programs to apply for funding under this section.

(f) In fiscal years subsequent to the 1985–86 fiscal year, the prior year's apportionment under this section shall be annually adjusted by the same cost-of-living increase provided to regional occupational programs through the standard apportionment system.

(g) Notwithstanding any other provision of law, the amount specified by Section 2 of Chapter 1538 of the Statutes of 1985 shall be used to fund the difference between the amount authorized pursuant to this section on January 1, 1986, and the amount authorized pursuant to Provision 2 of Item 6100-102-001 of the Budget Act of 1985.

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

In order to make certain funds available for expenditure by regional occupation programs as soon as possible, it is necessary for this act to take effect immediately.

CHAPTER 153

An act to amend Section 12200 of the Corporations Code, relating to consumer cooperative corporations.

[Approved by Governor June 11, 1986. Filed with Secretary of State June 12, 1986]

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

SECTION 1. The Legislature finds and declares that there is an urgent need for hazardous waste treatment facilities to safely handle and dispose of hazardous wastes generated by California businesses. The need for new treatment and recycling capacity is particularly urgent for small and medium-sized businesses that individually may not find the cost of constructing or operating their own facilities affordable.

The Legislature further finds and declares that cooperatives formed by California businesses have proven to be successful mechanisms for small and medium-sized businesses of all types.

It is the intent of the Legislature in enacting this act to encourage small and medium-sized businesses that produce hazardous wastes to engage in joint efforts including the formation of cooperative corporations, to make the treatment and recycling of their wastes more economically feasible. Therefore, this act includes specific mention in the Consumer Cooperative Corporation Law of cooperatives formed for the purpose of recycling or treating hazardous wastes.

SEC. 2. Section 12200 of the Corporations Code is amended to read:

12200. This part shall be known as the Consumer Cooperative Corporation Law. This part is intended primarily to apply to the organization and operation of consumer cooperatives. It is also applicable to other cooperatives, including, but not limited to, cooperatives formed for the purpose of recycling or treating hazardous wastes, which elect to incorporate under it.

CHAPTER 154

An act relating to subdivisions.

[Approved by Governor June 11, 1986. Filed with Secretary of State June 12, 1986.]

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

SECTION 1. (a) Notwithstanding the repeal of Section 8 of Chapter 1192 of the Statutes of 1979, as amended by Chapter 976 of the Statutes of 1983, all sales made pursuant to a subdivision public report issued by the Department of Real Estate after January 1, 1980, and on or before June 30, 1984, as amended or renewed by the department, for a stock cooperative conversion, shall be valid under the Subdivision Map Act if the stock cooperative conversion and all sales thereunder were valid pursuant to Section 8 of Chapter 1192 of the Statutes of 1979 as amended by Chapter 976 of the Statutes of 1983 when the subdivision public report was issued.

(b) Subdivision (a) does not constitute a change in, but is, instead, declaratory of the existing law.

CHAPTER 155

An act to add Section 11626.1 to, and to add and repeal Section 11622.1 of, the Insurance Code, and to add and repeal Article 5.5 (commencing with Section 3651) of Chapter 1 of Division 2 of the Public Utilities Code, relating to carriers, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 15, 1986 Filed with Secretary of State June 16, 1986]

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

SECTION 1. (a) The Public Utilities Commission shall conduct a study of the availability and cost of insurance required under the Public Utilities Code or by commission regulation to be procured and maintained in force by intrastate for-hire carriers of property subject to the jurisdiction and control of the commission, which elect this form of protection against accident liability, including insurance covering public liability for personal injury and death; injury to and death of passengers; loss of and damage to freight, baggage, and express; and loss of and damage to vehicles and other property. The commission shall contract with qualified persons for the performance of the study and preparation of the final report and recommendations. The commission and its contractor shall have the complete and unqualified cooperation of the Commissioner of Insurance and of the Department of Insurance in performing the study, and shall have access, as needed, to any and all records in the possession of the department, except that all records in the possession of the department which are confidential and not available to the public shall remain so even when made available to the commission and its contractor. The commissioner and the department shall assist the commission and its contractor in obtaining information from insurers.

(b) In its study, the commission shall identify each insurer issuing policies of insurance of the type described in subdivision (a), as shown by certificates of insurance on file with the commission, and shall identify trends in the insurance industry with respect to entry into and exit from the business of issuing these policies of insurance. The commission and its contractor shall develop incurred loss and earned premium information relating to policies of insurance issued, for which certificates are filed with the commission pursuant to its General Order 100 requirements, for accident years 1982, 1983, 1984, and 1985.

(c) As an element of its study, the commission and its contractor shall undertake a study of the underwriting, claims, and loss experience of each insurer who writes insurance pursuant to Article 5.5 (commencing with Section 3651) of Chapter 1 of Division 2 of the

Public Utilities Code and shall undertake an actuarial analysis of the program.

(d) As an element of its study, the commission and its contractor shall undertake a study of whether insurance providers distinguish in fact between highway carriers (regulated carriers of property) and other operators of trucks for actuarial purposes, and whether there is a basis in fact for that distinction.

(e) As an element of its study, the commission and its contractor shall investigate whether insurance providers distinguish in fact for actuarial purposes between highway carriers on the basis of vehicle configuration and on the basis of commodities or freight hauled.

(f) Based on its study, the commission shall make findings and determinations on the availability and adequacy of insurance coverage for highway carriers as required under the Public Utilities Code, the effect of the availability of insurance on the entry into and exit from the highway carrier industry of persons and corporations, and any trends ascertained or developed in this regard, and shall set forth its conclusions and recommendations as to measures required to improve the availability of insurance meeting these needs and to assure compliance with the insurance requirements of that code.

SEC. 2. The Public Utilities Commission shall prepare and submit to the Legislature on or before February 1, 1987, a preliminary report on premiums and limits of liability as provided in subdivision (b) of Section 1 of this act and on other matters for which data has been made available. The commission shall prepare and submit to the Legislature on or before July 1, 1987, a report of its findings and recommendations pursuant to the study required by Section 1.

SEC. 3. Section 11622.1 is added to the Insurance Code, to read:

11622.1. (a) The assigned risk plan shall require the issuance of a policy affording coverage for persons operating as seasonal agricultural carriers pursuant to a permit issued by the Public Utilities Commission under Section 3584.2 of the Public Utilities Code during 1986, and participating in the seasonal agricultural licensee insurance program pursuant to Section 3652 of the Public Utilities Code.

(b) The policy shall be in a minimum amount as is necessary to satisfy the requirements of Section 3652 of the Public Utilities Code.

(c) The duration of the policy shall be the duration of the seasonal permit, including any extensions thereof, but not more than six months, and shall expire not later than January 1, 1987. The policy may be for three months, with renewal of the policy conditioned on the filing of an appropriate application with the Public Utilities Commission for renewal of the seasonal permit pursuant to Section 3584.2 of the Public Utilities Code. The policy shall not be cancelable on less than 30 days written notice to the commission except if cessation of operations as a highway carrier is approved by the commission.

(d) Premiums for the policy may be paid in two equal installments.

(e) Insurers issuing policies under this section shall maintain separate records and accounts of the underwriting, claims, and loss experience and any other information necessary to enable the Public Utilities Commission to undertake an actual analysis of all insurance provided pursuant to this section.

(f) This section shall remain in effect only until January 1, 1987, and as of that date is repealed, unless a later enacted statute, which is enacted on or before January 1, 1987, deletes or extends that date.

SEC. 4. Section 11626.1 is added to the Insurance Code, to read:

11626.1. (a) No insurer shall downgrade the rating, or otherwise adversely affect the insurability, of a person insured under Section 11622.1 solely because of that person's participation in the assigned risk plan or because that person contracts with a person insured under Section 11622.1.

(b) An insurer violating subdivision (a) is subject to the penalties set forth in Section 11626, and shall restore the insurance rating, insurability, and coverage of any person harmed by the violation.

SEC. 4.5. Article 5.5 (commencing with Section 3651) is added to Chapter 1 of Division 2 of the Public Utilities Code, to read:

Article 5.5. Seasonal Agricultural Licensee Insurance Program

3651. It is the policy of this state to ensure the safety of the public on the highways, to provide adequate insurance against injuries and damage caused by accidents involving trucks, and to promote freedom of movement by carriers of the products of agriculture consistent with the maintenance of adequate safety and levels of insurance.

3652. (a) Notwithstanding any other law or commission regulation establishing a required minimum level of insurance, a highway carrier operating pursuant to a seasonal permit issued or renewed during 1986 pursuant to Section 3584.2 shall be required to carry public liability insurance in an amount not less than three hundred thousand dollars ($300,000) per occurrence, so long as the highway carrier is operating exclusively as a subhauler performing transportation governed by Article 3.5 (commencing with Section 3581) during the policy period. Any requirement of a larger minimum level of public liability coverage shall be at the sole expense of the person, including an overlying carrier, making the requirement.

(b) Evidence of the insurance shall be furnished to the commission in the same form as for other insurance, and the showing shall satisfy the financial responsibility requirements of Section 3584.

3653. This article shall remain in effect only until January 1, 1987, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1987, deletes or extends that date.

SEC. 5. The sum of up to five hundred thousand dollars ($500,000) is hereby appropriated from the Transportation Rate Fund to the Public Utilities Commission for purposes of the study

and report required by Sections 1 and 2 of this act.

SEC. 6. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

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

The transportation of the 1986 agricultural crop requires augmentation of the available fleet of trucks by the usual complement of highway carriers operating as seasonal agricultural carriers. These carriers will be unable to obtain insurance without the provisions of this act. In order for the Public Utilities Commission to conduct a needed study of the insurance situation and for the required insurance coverage to be available as quickly as possible, it is necessary that this act take effect immediately.

CHAPTER 156

An act to amend Section 65852.2 of the Government Code, relating to housing.

[Approved by Governor June 15, 1986 Filed with Secretary of State June 16, 1986.]

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

SECTION 1. Section 65852.2 of the Government Code is amended to read:

65852.2. (a) Any local agency may, by ordinance, provide for the creation of second units in single-family and multifamily residential zones consistent with all of the following provisions:

(1) Areas may be designated within the jurisdiction of the local agency where second units may be permitted.

(2) The designation of areas may be based on criteria, which may include, but are not limited to, the adequacy of water and sewer services and the impact of second units on traffic flow.

(3) Standards may be imposed on second units which include, but are not limited to, parking, height, setback, lot coverage, architectural review, and maximum size of a unit.

(4) A local agency may find that second units do not exceed the allowable density for the lot upon which the second unit is located, and that second units are a residential use that is consistent with the existing general plan and zoning designation for the lot.

(5) The second units created shall not be considered in the

application of any local ordinance, policy, or program to limit residential growth.

(6) A local agency may establish a process for the issuance of a conditional use permit for second units.

(b) When a local agency which has not adopted an ordinance governing second units in accordance with subdivision (a) or (c) receives its first application on or after July 1, 1983, for a conditional use permit pursuant to this subdivision, the local agency shall accept the application and approve or disapprove the application pursuant to this subdivision unless it adopts an ordinance in accordance with subdivision (a) or (c) within 120 days after receiving the application. Notwithstanding Section 65901, every local agency shall grant a special use or a conditional use permit for the creation of a second unit if the second unit complies with all of the following:

(1) The unit is not intended for sale and may be rented.

(2) The lot is zoned for single-family or multifamily use.

(3) The lot contains an existing single-family dwelling.

(4) The second unit is either attached to the existing dwelling and located within the living area of the existing dwelling or detached from the existing dwelling and located on the same lot as the existing dwelling.

(5) Any increase in the floor area of an attached second unit shall not exceed 15 percent of the existing living area.

(6) The total area of floor space for a detached second unit shall not exceed 640 square feet.

(7) Any construction shall conform to height, setback, lot coverage, architectural review, site plan review, fees, charges, and other zoning requirements generally applicable to residential construction in the zone in which the property is located.

(8) Local building code requirements which apply to detached dwellings, as appropriate.

(9) Approval by the local health officer where a private sewage disposal system is being used, if required.

No other local ordinance, policy, or regulation shall be the basis for the denial of a building permit or a use permit under this subdivision.

This subdivision establishes the maximum standards that local agencies shall use to evaluate proposed second units on lots zoned for residential use which contain an existing single-family dwelling. No additional standards, other than those provided in this subdivision or subdivision (a), shall be utilized or imposed, except that a local agency may require an applicant for a permit issued pursuant to this subdivision to be an owner-occupant.

This section does not limit the authority of local agencies to adopt less restrictive requirements for the creation of second units.

No changes in zoning ordinances or other ordinances or any changes in the general plan shall be required to implement this subdivision. Any local agency may amend its zoning ordinance or general plan to incorporate the policies, procedures, or other provisions applicable to the creation of second units if these

provisions are consistent with the limitations of this subdivision.

A second unit which conforms to the requirements of this subdivision shall not be considered to exceed the allowable density for the lot upon which it is located, and shall be deemed to be a residential use which is consistent with the existing general plan and zoning designations for the lot. The second units shall not be considered in the application of any local ordinance, policy, or program to limit residential growth.

(c) No local agency shall adopt an ordinance which totally precludes second units within single-family and multifamily zoned areas unless the ordinance contains findings acknowledging that the ordinance may limit housing opportunities of the region and further contains findings that specific adverse impacts on the public health, safety, and welfare that would result from allowing second units within single-family and multifamily zoned areas justify adopting the ordinance.

(d) Local agencies shall submit a copy of the ordinances adopted pursuant to subdivision (a) or (c) to the Department of Housing and Community Development within 60 days after adoption.

(e) As used in this section, the following terms mean:

(1) "Living area," means the interior habitable area of a dwelling unit including basements and attics but does not include a garage or any accessory structure.

(2) "Local agency" means a city, county, or city and county, whether general law or chartered.

(3) "Second unit" means an attached or a detached residential dwelling unit which provides complete independent living facilities for one or more persons. It shall include permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the single-family dwelling is situated.

SEC. 2. Section 1 of this act shall become operative April 1, 1987.

CHAPTER 157

An act to amend Sections 7551 and 7554 of the Government Code, relating to gold medallions, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 16, 1986 Filed with Secretary of State June 16, 1986]

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

SECTION 1. Section 7551 of the Government Code is amended to read:

7551. The Department of General Services shall cause to be designed a series of commemorative gold medallions in not less than 1 troy ounce, 0.5 troy ounce, 0.25 troy ounce, and 0.1 troy ounce sizes

of .999 fine gold.

SEC. 2. Section 7554 of the Government Code is amended to read:

7554. The Department of General Services shall, for the use of the Great Seal of the State of California, charge the following royalties:

(a) For each medallion in the 1 troy ounce size, four dollars ($4).

(b) For each medallion in the 0.5 troy ounce size, two dollars ($2).

(c) For each medallion in the 0.25 troy ounce size, one dollar ($1).

(d) For each medallion in the 0.1 troy ounce size, fifty cents ($0.50).

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

In order to provide for production of an additional medallion in 1986, thereby increasing state revenue, it is essential that this act take effect immediately.

CHAPTER 158

An act to amend Sections 7074, 7091, and 14838 of the Government Code, and to amend Sections 17053.8, 17053.11, 17231, 17252.5, 17265, 17276.5, 24331, 24333, 24356.2, 24384, and 24417, of the Revenue and Taxation Code, relating to economic development, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 17, 1986. Filed with Secretary of State June 18, 1986.]

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

SECTION 1. Section 7074 of the Government Code is amended to read:

7074. (a) Individuals residing within an enterprise zone may establish, under the provisions of this chapter, a nonprofit neighborhood enterprise association corporation (NEAC) as follows:

(1) There shall be only one nonprofit neighborhood enterprise association corporation chartered for each, or any portion of, a geographic neighborhood area.

(2) The geographic neighborhood area to which each corporation applies shall be defined by the incorporating residents.

(3) An association shall become a chartered, nonprofit NEAC by a resolution of each governing body that has any of its area within the proposed NEAC area.

(b) The incorporating residents shall draft articles of incorporation and bylaws for a nonprofit mutual benefit corporation pursuant to the Nonprofit Mutual Benefit Corporation Law (Part 3

(commencing with Section 7110) of Division 2 of Title 1 of the Corporations Code). The articles and bylaws of each corporation shall provide for each of the following:

(1) Describe the geographic neighborhood area to which the incorporating association applies.

(2) Describe the manner in which a membership interest in that corporation shall be offered to each resident and business owner of the neighborhood.

(3) Contain provisions for the amendment of the articles and bylaws by a majority of the members.

(4) Authorize the corporation to engage in business only within the particular zone in which the neighborhood area of the corporation is located.

(5) Establish only one class of membership, which shall have voting rights.

(6) Provide technical and financial assistance to private sector investors within an enterprise zone.

(c) The incorporating residents shall send to all residents and business owners of the corporation's neighborhood area each of the following:

(1) An explanation of the proposed new corporation and their rights in it.

(2) A copy of the corporate articles and bylaws.

(3) An offer of a membership interest to which each particular resident and business owner is entitled without any charge for that membership.

(d) The board of directors of the corporation shall apply to the Secretary of State for certification of its articles of incorporation establishing the corporation as a nonprofit corporation. The Secretary of State shall provide technical assistance to zone residents attempting to incorporate under this section.

(e) Upon certification of its articles of incorporation and compliance with paragraph (3) of subdivision (a), the NEAC shall send the department a copy of its articles of incorporations and bylaws, the names of its officers, and an official copy of each resolution required in paragraph (3) of subdivision (a). The NEAC shall send the department a copy of any and all changes in the above items or in the geographic neighborhood area to which the incorporating association applies.

(f) All property which is owned by the state or local government within the neighborhood area of a certified corporation and is not in current use by that government and which is not necessary for a public purpose of the state or local agency owning the property may be leased to the corporation at a price below fair market value, provided that it serves a public purpose to lease at below fair market value. Any lease agreement so executed shall permit the corporation to sublease or assign its leasehold interest to private entities conducting or intending to conduct business operations within the zone. The lease may be renewed upon expiration if the corporation

has continuously complied with the requirements of this chapter.

SEC. 1.5. Section 7091 of the Government Code is amended to read:

7091. (a) Notwithstanding the bonding limitation specified in Section 91573, the California Industrial Development Financing Advisory Commission shall authorize an annual maximum amount of qualifying bonds of seventy-five million dollars ($75,000,000).

(b) Notwithstanding Section 91503, the bonding authorization contained in subdivision (a) shall be used for providing funds to qualified businesses within designated program areas or any business which is located within an enterprise zone which is designated under any other provision of state law. However, any portion of the annual maximum amount specified in subdivision (a) which in any year is not used for the purpose specified in this subdivision may be used in the next succeeding year for the purpose of any program administered by the California Industrial Development Financing Advisory Commission.

(c) The annual maximum bonding authority specified in subdivision (a) is exclusive of, and in addition to, the maximum bonding authority specified in Section 91573.

SEC. 2. Section 14838 of the Government Code, as amended by Section 4 of Chapter 823 of the Statutes of 1985, is amended to read:

14838. In order to facilitate the participation of small business in state procurement and in construction contracts, and in service contracts, under the Office of the State Architect or other state agencies which contract for the construction (including alteration, demolition, repair, or improvement) of state facilities, or the delivery of services, the directors of General Services and of such other agencies, each within their respective areas of responsibility, shall do all of the following:

(a) Establish goals, consistent with those established by the Office of Small and Minority Business, for the extent of participation of small businesses in state procurement and in construction contracts, and in service contracts.

(b) Provide for small business preference in construction or the procurement of goods or the delivery of services where responsibility and quality are equal. The preference to small business shall be 5 percent for the lowest responsible bidder meeting specifications. However, the small business preference shall not exceed fifty thousand dollars ($50,000) for any bid. In bids in which the state has reserved the right to make multiple awards, this fifty thousand dollar ($50,000) maximum preference cost shall be applied, to the extent possible, so as to maximize the dollar participation of small businesses in the contract award.

(c) Give special consideration to small businesses by both:

(1) Reducing the experience required.

(2) Reducing the level of inventory normally required.

(d) Give special assistance to small businesses in their preparation and submission of the information requested in Section 14310.

(e) Under the authorization granted in Section 14311, make awards, whenever feasible, to small business bidders for each project bid upon within their prequalification rating. This may be accomplished by dividing major projects into subprojects so as to allow a small business contractor to qualify to bid on these subprojects.

(f) Small business bidders qualified in accordance with the provisions of this chapter shall have precedence over nonsmall business bidders in that the application of any bidder preference for which nonsmall business bidders may be eligible under any other provision of law shall not result in the denial of the award to a small business bidder. This provision shall apply to those cases where the small business bidder is the lowest responsible bidder, as well as to those cases where the small business bidder is eligible for award as the result of application of the 5-percent small business bidder preference granted by subdivision (b).

(g) This section shall remain in effect only until July 1, 1988, and as of that date is repealed.

SEC. 3. Section 14838 of the Government Code, as added by Section 5 of Chapter 823 of the Statutes of 1985, is amended to read:

14838. In order to facilitate the participation of small business in state procurement and in construction contracts under the Office of the State Architect or other state agencies which contract for the construction (including alteration, demolition, repair, or improvement) of state facilities, the directors of General Services and of such other agencies, each within their respective areas of responsibility, shall do all of the following:

(a) Establish goals, consistent with those established by the Office of Small and Minority Business, for the extent of participation of small businesses in state procurement and in construction contracts.

(b) Provide for small business preference in construction or the procurement of goods where responsibility and quality are equal. The preference to small business shall be 5 percent of the lowest responsible bidder meeting specifications. However, the small business preference shall not exceed fifty thousand dollars ($50,000) for any bid. In bids in which the state has reserved the right to make multiple awards, this fifty thousand dollar ($50,000) maximum preference cost shall be applied, to the extent possible, so as to maximize the dollar participation of small businesses in the contract award.

(c) Give special consideration to small businesses by both:

(1) Reducing the experience required.

(2) Reducing the level of inventory normally required.

(d) Give special assistance to small businesses in their preparation and submission of the information requested in Section 14310.

(e) Under the authorization granted in Section 14311, make awards, whenever feasible, to small business bidders for each project bid upon within their prequalification rating. This may be accomplished by dividing major projects into subprojects so as to

allow a small business contractor to qualify to bid on these subprojects.

(f) Small business bidders qualified in accordance with the provisions of this chapter shall have precedence over nonsmall business bidders in that the application of any bidder preference for which nonsmall business bidders may be eligible under any other provision of law shall not result in the denial of the award to a small business bidder. This provision shall apply to those cases where the small business bidder is the lowest responsible bidder, as well as to those cases where the small business bidder is eligible for award as the result of application of the 5-percent small business bidder preference granted by subdivision (b).

(g) This section shall become operative on July 1, 1988.

SEC. 4. Section 17053.8 of the Revenue and Taxation Code is amended to read:

17053.8. (a) There shall be allowed as credit against the "net tax" (as defined in Section 17039) for the taxable year an amount equal to the sum of each of the following:

(1) Fifty percent for qualified wages in year 1.

(2) Forty percent for qualified wages in year 2.

(3) Thirty percent for qualified wages in year 3.

(4) Twenty percent for qualified wages in year 4.

(5) Ten percent for qualified wages in year 5.

(b) For purposes of this section:

(1) "Qualified wages" means the wages paid or incurred by the employer during the taxable year to qualified disadvantaged individuals "Qualified wages" means that portion of hourly wages which does not exceed 150 percent of the minimum wage.

(2) "Qualified years 1 through 5 wages" means, with respect to any individual, qualified wages received during the 60-month period beginning with the day the individual commences employment within an enterprise zone.

(3) "Minimum wage" means the wage established by the Industrial Welfare Commission as provided for in Chapter 1 (commencing with Section 1171) of Part 4 of Division 2 of the Labor Code.

(c) For purposes of this section:

(1) "Qualified disadvantaged individual" means an individual—

(A) Who is a qualified employee within the meaning of subdivision (d).

(B) Who is hired by the employer after the designation of the area in which services were performed as an enterprise zone (under Section 7073 of the Government Code).

(C) Who is any of the following:

(i) An individual who has been determined eligible by the administrative entity of a service delivery area for services under the federal Job Training Partnership Act (29 U.S.C. Sec. 1501 et seq.) and who is receiving subsidized employment, training, or services funded by the federal Job Training Partnership Act, except for an

individual who only receives outreach, intake, or assessment services or a combination thereof.

(ii) Any voluntary or mandatory registrant under the Greater Avenues for Independence Act of 1985 provided for pursuant to Article 3.2 (commencing with Section 11320) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code.

(iii) Any voluntary or mandatory registrant for the Work Incentive Demonstration Program provided for pursuant to Section 11347 of the Welfare and Institutions Code.

(iv) Any voluntary or mandatory registrant for the Employment Preparation Program provided for pursuant to Article 3.5 (commencing with Section 11325) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code.

(d) For purposes of this section: "qualified employee" means an individual—

(1) At least 90 percent of whose services for the taxpayer during the taxable year are directly related to the conduct of the taxpayer's trade or business located in an enterprise zone, and

(2) Who performs at least 50 percent of his or her services for the taxpayer during the taxable year in an enterprise zone.

(e) (1) For purposes of this section:

(A) All employees of trades or businesses (which are not incorporated) which are under common control shall be treated as employed by a single employer, and

(B) The credit (if any) allowable by this section with respect to each trade or business shall be determined by reference to its proportionate share of the qualified wages giving rise to the credit.

The regulations prescribed under this paragraph shall be based on principles similar to the principles which apply in the case of controlled groups of corporations as specified in subdivision (e) of Section 24331.

(2) If an employer acquires the major portion of a trade or business of another employer (hereinafter in this paragraph referred to as the "predecessor") or the major portion of a separate unit of a trade or business of a predecessor, then, for purposes of applying this section (other than subdivision (f)) for any calendar year ending after that acquisition, the employment relationship between an employee and an employer shall not be treated as terminated if the employee continues to be employed in that trade or business.

(f) (1) If the employment of any employee, with respect to whom qualified wages are taken into account under subdivision (a) is terminated by the taxpayer at any time during the first 270 days of that employment (whether or not consecutive) or before the close of the 270th calendar day after the day in which that employee completes 90 days of employment with the taxpayer, the tax imposed by this part for the taxable year in which that employment is terminated shall be increased by an amount (determined under those regulations) equal to the credit allowed under subdivision (a) for that taxable year and all prior taxable years attributable to

qualified wages paid or incurred with respect to that employee.

(2) (A) Paragraph (1) shall not apply to any of the following:

(i) A termination of employment of an employee who voluntarily leaves the employment of the taxpayer.

(ii) A termination of employment of an individual who, before the close of the period referred to in paragraph (1), becomes disabled to perform the services of that employment, unless that disability is removed before the close of that period and the taxpayer fails to offer reemployment to that individual.

(iii) A termination of employment of an individual, if it is determined under the applicable employment compensation provisions that the termination was due to the misconduct of that individual.

(iv) A termination of employment of an individual due to a substantial reduction in the trade or business operations of the taxpayer.

(v) A termination of employment of an individual, if that individual is replaced by other qualified employees so as to create a net increase in both the number of employees and the hours of employment.

(B) For purposes of paragraph (1), the employment relationship between the taxpayer and an employee shall not be treated as terminated by reason of a mere change in the form of conducting the trade or business of the taxpayer, if the employee continues to be employed in that trade or business and the taxpayer retains a substantial interest in that trade or business.

(3) Any increase in tax under paragraph (1) shall not be treated as tax imposed by this part for purposes of determining the amount of any credit allowable under this part.

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

(A) The qualified wages for any taxable year shall be apportioned between the estate or trust and the beneficiaries on the basis of the income of the estate or trust allocable to each, and

(B) Any beneficiary to whom any qualified wages have been apportioned under paragraph (A) shall be treated (for purposes of this part) as the employer with respect to those wages.

(h) For purposes of this section, "enterprise zone" means an area for which designation as an enterprise zone is in effect under Section 7073 of the Government Code.

(i) The credit shall be reduced by the credit allowed under Section 17053.7. The credit shall also be reduced by the credit allowed under Section 51 of the Internal Revenue Code.

In addition, no deduction shall be allowed as provided in Section 162 of the Internal Revenue Code for that portion of the wages or salaries paid or incurred for the taxable year upon which the credit is based.

(j) In the case where the credit allowed under this section exceeds the net tax for the taxable year, that portion of the credit which exceeds the net tax may be carried over to the net tax in succeeding

taxable years for the number of taxable years in which the designation of an enterprise zone under Section 7073 of the Government Code is operative, or 15 taxable years, if longer, until the credit is used. The credit shall be applied first to the earliest taxable years possible.

(k) The amount of the credit allowed by this section in any taxable year shall not exceed the amount of tax which would be imposed on the income attributed to business activities of the taxpayer within the enterprise zone (as defined in Section 7073 of the Government Code) as if that attributed income represented all of the net income of the taxpayer subject to tax under this part. The amount of that attributed income shall be determined in accordance with the provisions of Article 2 (commencing with Section 25120) of Chapter 17 of Part 11.

SEC. 5. Section 17053.11 of the Revenue and Taxation Code is amended to read:

17053.11. (a) There shall be allowed as a credit against the "net tax" (as defined in Section 17039) for the taxable year the amount determined in subdivisions (c) and (d) for a qualified business which hires a qualified employee.

(b) For purposes of this section:

(1) "Qualified business" means a qualified business, as defined in Section 7082 of the Government Code, except that the percentage requirements with respect to employment of residents of a high-density unemployment area shall be applicable only to those employees hired within the 12 months immediately preceding the date that the business seeks certification from the Department of Commerce and not to the entire workforce of the business. A business shall be a qualified business only for the purposes of this section, provided that the Department of Commerce certifies that the business meets the standards set forth in this paragraph.

(2) "Qualified employee" means an employee who has been an unemployed resident of a high density unemployment area (as defined in Section 7082 of the Government Code) prior to being employed by the qualified business. For the purposes of this section, participation by a prospective employee in a state or federally funded job training or work demonstration program shall not constitute employment, or effect the eligibility of an otherwise qualified employee. Qualified employee includes an otherwise qualified employee who is employed by a qualified business in the 90 days prior to its certification by the Department of Commerce as a qualified business for the purpose of becoming eligible for that certification.

(c) The credit provided for each qualified employee who has been unemployed for at least six months prior to being employed and has been hired pursuant to subdivision (a), shall be as follows:

(1) Twelve percent of qualified wages for the first six months of employment.

(2) Twelve percent of qualified wages for the second six months

of employment.

(3) Seven percent of qualified wages for the second year of employment.

(d) The credit provided for each qualified employee who has been unemployed for at least three months but less than six months prior to being employed shall be 5 percent of qualified wages for the first year of employment; however, the credit for the second year of employment shall be that provided in paragraph (3) of subdivision (c).

(e) For purposes of this section, "qualified wages" means that portion of wages not in excess of 150 percent of the minimum hourly wage paid or incurred by the qualified business during the taxable year to the qualified employee.

(f) (1) If the employment of any employee with respect to whom qualified wages are taken into account under subdivision (c) is terminated by the taxpayer at any time during the first 270 days of that employment (whether or not consecutive) or before the close of the 270th calendar day after the day in which that employee completes 90 days of employment with the taxpayer, the tax imposed by this part for the taxable year in which that employment is terminated shall be increased by an amount equal to the credit allowed under subdivision (a) for that taxable year and all prior taxable years attributable to qualified wages paid or incurred with respect to that employee.

(2) Paragraph (1) shall not apply to any of the following:

(A) A termination of employment of an employee who voluntarily leaves the employment of the taxpayer.

(B) A termination of employment of an individual who, before the close of the period referred to in paragraph (1), becomes disabled to perform the services of that employment, unless that disability is removed before the close of that period and the taxpayer fails to offer reemployment to that individual.

(C) A termination of employment of an individual, if it is determined under the applicable unemployment compensation provisions that the termination was due to the misconduct of that individual.

(D) A termination of employment of an individual due to a substantial reduction in the trade or business operations of the taxpayer.

(E) A termination of employment of an individual, if that individual is replaced by other qualified employees so as to create a net increase in both number of employees and hours of employment.

(g) In the case where the credit allowed under this section exceeds the "net tax" for the taxable year, that portion of the credit which exceeds the "net tax" may be carried over to the "net tax" in succeeding taxable years until the credit is used. The credit shall be applied first to the earliest taxable years possible.

(h) The amount of the credit allowed by this section for any taxable year shall not exceed the amount of tax which would be

imposed on the income attributed to business activities of the taxpayer within the program area (as defined in Section 7082 of the Government Code) as if that attributed income represented all of the net income of the taxpayer subject to tax under this part. The amount of that attributed income shall be determined in accordance with the provisions of Article 2 (commencing with Section 25120) of Chapter 17 of Part 11.

SEC. 6. Section 17231 of the Revenue and Taxation Code is amended to read:

17231. (a) There shall be allowed as a deduction the amount of net interest received by the taxpayer in payment on indebtedness of either of the following:

(1) A qualified business (as defined in Section 7082 of the Government Code).

(2) A person or entity engaged in the conduct of a trade or business located in an enterpise zone (as defined in Section 7073 of the Government Code).

(b) No deduction shall be allowed under subdivision (a) unless at the time the indebtedness is incurred each of following requirements are met:

(1) The qualified business is located solely within a program area (as defined in Section 7082 of the Government Code), or the trade or business is located solely within an enterprise zone (as defined in Section 7073 of the Government Code).

(2) The indebtedness is incurred solely in connection with activity within the program area or enterprise zone.

(3) The taxpayer has no equity or other ownership interest in the debtor.

SEC. 7. Section 17252.5 of the Revenue and Taxation Code is amended to read:

17252.5. (a) A taxpayer may elect to treat the cost of any Section 17252.5 property as an expense which is not chargeable to capital account. Any cost so treated shall be allowed as a deduction for the taxable year in which Section 17252.5 property is placed in service.

(b) In the case of a husband or wife filing separate returns for a taxable year with respect to each return the applicable amount shall be equal to 50 percent of the amount otherwise determined under subdivision (a).

(c) (1) An election under this section for any taxable year shall—

(A) Specify the items of Section 17252.5 property to which the election applies and the portion of the cost of each of those items which is to be taken into account under subdivision (a), and

(B) Be made on the taxpayer's return of the tax imposed by this part for the taxable year.

(2) Any election made under this section, and any specification contained in that election, may not be revoked except with the consent of the Franchise Tax Board.

(d) (1) For purposes of this section, "Section 17252.5 property" means any recovery property which is Section 38 property under the

terms of the Internal Revenue Code and which is acquired by purchase for exclusive use in a trade or business conducted within an enterprise zone designated pursuant to Section 7073 of the Government Code.

(2) For purposes of paragraph (1), "purchase" means any acquisition of property, but only if—

(A) The property is not acquired from a person whose relationship to the person acquiring it would result in the disallowance of losses under Section 267 or 707(b) of the Internal Revenue Code (but, in applying subsections (b) and (c) of Section 267 of the Internal Revenue Code for purposes of this section, Section 267(c)(4) of the Internal Revenue Code shall be treated as providing that the family of an individual shall include only his spouse, ancestors, and lineal descendants),

(B) The basis of the property in the hands of the person acquiring it is not determined—

(i) In whole or in part by reference to the adjusted basis of such property in the hands of the person from whom acquired, or

(ii) Under Sections 18031 through 18033 (relating to property acquired from a decedent).

(3) For purposes of this section, the cost of property does not include so much of the basis of the property as is determined by reference to the basis of other property held at any time by the person acquiring the property.

(4) This section shall not apply to estates and trusts.

(5) This section shall not apply to any Section 17252.5 property purchased by any person described in Section 46(e)(3) of the Internal Revenue Code unless the credit under Section 38 of the Internal Revenue Code is allowable with respect to that person for that property (determined without regard to this section).

(6) In the case of a partnership, the dollar limitation contained in subdivision (g) shall apply with respect to the partnership and with respect to each partner.

(e) For purposes of this section, "taxpayer" means a taxpayer who conducts a trade or business within an enterprise zone designated pursuant to Section 7073 of the Government Code.

(f) Any taxpayer who elects to be subject to this section shall not be entitled to claim additional depreciation pursuant to Section 17252 with respect to any property which constitutes Section 17252.5 property.

(g) The deduction allowable under subdivision (a) for any taxable year shall not exceed the following applicable amount for the taxable year of the designation of an enterprise zone and taxable years thereafter:

	The applicable amount is:
Taxable year of designation	$ 5,000
1st taxable year thereafter	5,000

2nd taxable year thereafter	7,500
3rd taxable year thereafter	7,500
Each taxable year thereafter	10,000

(h) This section shall apply only to property which is used exclusively in a trade or business conducted within an enterprise zone.

(i) Any amounts deducted under subdivision (a) with respect to property which ceases to be used in the trade or business within an enterprise zone at any time before the close of the second taxable year after the property was placed in service shall be included in income for that year.

SEC. 8. Section 17265 of the Revenue and Taxation Code is amended to read:

17265. (a) A taxpayer may elect to treat 40 percent of the cost of any Section 17265 property as an expense which is not chargeable to capital account. Any cost so treated shall be allowed as a deduction for the taxable year in which the Section 17265 property is placed in service.

(b) In the case of a husband and wife filing separate returns for a taxable year, the applicable amount under subdivision (a) shall be equal to 50 percent of the percentage specified in subdivision (a).

(c) (1) An election under this section for any taxable year shall—

(A) Specify the items of Section 17265 property to which the election applies and the percentage of the cost of each of those items which is to be taken into account under subdivision (a).

(B) Be made on the taxpayer's return of the tax imposed by this part for the taxable year.

This election shall be made in the time, form, and manner which the Franchise Tax Board may prescribe.

(2) Any election made under this section, and any specification contained in that election, may not be revoked except with the consent of the Franchise Tax Board.

(d) (1) For purposes of this section, "Section 17265 property" means property acquired by the taxpayer which is used exclusively within a program area (as defined in Section 7082 of the Government Code) and consists of machinery and machinery parts used for fabricating, processing, assembling, and manufacturing and machinery and machinery parts used for the production of renewable energy resources or air or water pollution control mechanisms.

"Section 17265 property" also means property used as an integral part of a qualified business within a program area (as defined in Section 7082 of the Government Code).

(2) For purposes of paragraph (1), "purchase" means any acquisition of property, but only if—

(A) The property is not acquired from a person whose relationship to the person acquiring it would result in the disallowance of losses under Section 267 or Section 707(b) of the Internal Revenue Code (but, in applying Sections 267(b) and 267(c) for purposes of this section, Section 267(c)(4) shall be treated as providing that the

family of an individual shall include only the individual's spouse, ancestors, and lineal descendants),

(B) The basis of the property in the hands of the person acquiring it is not determined—

(i) In whole or in part by reference to the adjusted basis of that property in the hands of the person from whom it is acquired, or

(ii) Under Sections 18032 and 18033 (relating to property acquired from a decedent).

(3) For purposes of this section, the cost of property does not include so much of the basis of the property as is determined by reference to the basis of other property held at any time by the person acquiring the property.

(4) This section shall not apply to estates and trusts.

(5) This section shall not apply to any Section 17265 property purchased by any person described in Section 46(e) (3) of the Internal Revenue Code unless the credit under Section 38 of the Internal Revenue Code is allowable with respect to that person for that property (determined without regard to this section).

(6) In the case of a partnership, the percentage limitation specified in subdivision (a) shall apply with respect to the partnership and with respect to each partner.

(e) For purposes of this section, "taxpayer" means a taxpayer who conducts a qualified business within a program area (as defined in Section 7082 of the Government Code).

(f) Any taxpayer who elects to be subject to this section shall not be entitled to claim additional depreciation pursuant to Section 17252 with respect to any property which constitutes Section 17265 property; however, the taxpayer may claim depreciation by any method permitted by Section 17250, commencing with the taxable year following the taxable year in which the Section 17265 property is placed in service.

(g) The aggregate cost which may be taken into account under subdivision (a) for any taxable year shall not exceed the following applicable amount for the taxable year of the designation of a program area and taxable years thereafter:

	The applicable amount is:
Taxable year of designation	$100,000
1st taxable year thereafter	100,000
2nd taxable year thereafter	75,000
3rd taxable year thereafter	75,000
Each taxable year thereafter	50,000

(h) Any amounts deducted under subdivision (a) with respect to property which ceases to be qualified property at any time before the close of the second taxable year after the property is placed in service shall be included in income for that year.

SEC. 9. Section 17276.5 of the Revenue and Taxation Code, as

amended by Chapter 54 of the Statutes of 1986, is amended to read:

17276.5. The term "qualified taxpayer" as used in Section 17276 means any one of the following:

(a) A taxpayer engaged in a new small business.

(1) A net operating loss of a new small business shall not be a net operating loss carryback to any taxable year and shall be a net operating loss carryover to each of the 15 taxable years following the taxable year of the loss.

(A) A net operating loss may be carried over only by the individual or legal entity incurring the net operating loss.

(B) A net operating loss deduction by a taxpayer shall be allowed only for losses occurring within the first 24 months of active operation of the small business.

(C) The total amount of net operating loss a new small business may carry over pursuant to Section 17276 beginning on or after January 1, 1984, and thereafter, shall not exceed an aggregate of one hundred thousand dollars ($100,000) for all taxable years.

(2) For purposes of this subdivision, the definition of "small business" established by the Department of General Services shall apply, with the following modifications:

(A) A taxpayer shall qualify as a "small business" if the gross receipts for the initial year of operation do not exceed one-third of the maximum receipts specified in Section 1896 of Subchapter 8 of Title 2 of the California Administrative Code as it may be amended from time to time for the applicable industry group. If the maximum receipts specified are modified at any time during the taxable year, the amount stated at the end of the taxable year shall apply.

(B) Where the initial calendar year of operation is less than 12 months, gross receipts for that year shall be annualized for purposes of applying subparagraph (A).

(C) The taxpayer shall bear the burden of furnishing all information in support of a claim that it qualifies as a new "small business" as defined in this subdivision.

The term "new small business" does not include any business or corporation which, for tax purposes only, liquidates its assets, in whole or in part, in anticipation of an operating loss and then subsequently reorganizes that portion of the business or corporation under a new name.

(3) No net operating loss deduction shall be allowed for any loss which occurs prior to January 1, 1984, or for any loss which occurs in any taxable year beginning prior to January 1, 1984.

(4) For purposes of this subdivision, "net operating loss" means the loss determined under Section 172 of the Internal Revenue Code, as modified by Section 17276, attributable to a new small business.

(b) A taxpayer engaged in the conduct of a qualified business within a program area (as defined in Section 7082 of the Government Code).

(1) A net operating loss shall not be a net operating loss carryback to any taxable year and a net operating loss for any taxable year

beginning on or after the date that the taxpayer becomes a qualified business shall be a net operating loss carryover to each of the 15 taxable years following the taxable year of loss.

(2) For purposes of this subdivision:

(A) "Net operating loss" means the loss determined under Section 172 of the Internal Revenue Code, as modified by Section 17276, attributable to the business activities of the taxpayer within the program area (as defined in Section 7082 of the Government Code). That attributed loss shall be determined in accordance with the provisions of Article 2 (commencing with Section 25120) of Chapter 17 of Part 11.

(B) A net operating loss carryover shall be a deduction only with respect to income attributed to the business activities of the taxpayer within the program area (as defined in Section 7082 of the Government Code) determined in accordance with the provisions of Article 2 (commencing with Section 25120) of Chapter 17 of Part 11.

(3) No net operating loss deduction shall be allowed for any loss which occurs prior to January 1, 1984, or for any loss which occurs in any taxable year beginning prior to January 1, 1984.

(c) A taxpayer who is engaged in the conduct of a trade or business within an enterprise zone designated pursuant to Section 7073 of the Government Code on or after that designation.

(1) A net operating loss shall not be a net operating loss carryback to any taxable year and a net operating loss for any taxable year beginning on or after the date that the area in which the taxpayer conducts a trade or business is designated an enterprise zone shall be a net operating loss carryover to each following taxable year that ends before the expiration or revocation of the designation of the enterprise zone under Section 7073 of the Government Code or to each of 15 taxable years following the taxable year of loss, if longer.

(2) For purposes of this subdivision:

(A) "Net operating loss" means the loss determined under Section 172 of the Internal Revenue Code, as modified by Section 17276, attributable to the business activities of the taxpayer within the enterprise zone (as defined in Section 7073 of the Government Code). The attributed loss shall be determined in accordance with the provisions of Article 2 (commencing with Section 25120) of Chapter 17 of Part 11.

(B) A net operating loss carryover shall be a deduction only with respect to income attributed to the business activities of the taxpayer within the enterprise zone (as defined in Section 7073 of the Government Code) determined in accordance with the provisions of Article 2 (commencing with Section 25120) of Chapter 17 of Part 11.

(3) No net operating loss deduction shall be allowed for any loss which occurs prior to January 1, 1984, or for any loss which occurs in any taxable year beginning prior to January 1, 1984.

(d) A taxpayer engaged in the business of farming in this state.

(1) A net operating loss shall not be a net operating loss carryback to any taxable year and shall be a net operating loss carryover to each

of the 15 taxable years following the taxable year of the loss.

(A) A net operating loss may be carried over only by the individual or legal entity incurring the net operating loss, except as provided by Section 642(h) of the Internal Revenue Code.

(B) For any net operating loss incurred in any taxable year beginning on or after January 1, 1985, the total amount of net operating loss that a taxpayer may carryover pursuant to Section 17276 to any taxable year beginning on or after January 1, 1986, shall not exceed an aggregate of fifty thousand dollars ($50,000) for any one taxable year. The net operating loss deduction claimed by any taxpayer pursuant to Section 17276 for any taxable year beginning after December 31, 1985, and incurred in any taxable year beginning after December 31, 1984, through any taxable year ending on or before December 31, 1992, shall not exceed an aggregate of two hundred fifty thousand dollars ($250,000).

(2) For purposes of this subdivision:

(A) (i) Except as provided in clause (ii), "net operating loss" means the loss determined under Section 172 of the Internal Revenue Code, as modified by Section 17276, attributed to the business of farming.

(ii) For purposes of clause (i), the amount of the nonbusiness deductions and the zero bracket amount deduction determined under Section 172(d)(4) and Section 172(d)(7) of the Internal Revenue Code, respectively, shall not be allowed in determining the amount of a net operating loss.

(B) A net operating loss carryover shall be a deduction only against income attributed to the business of farming.

(C) The term "business of farming" means that at least two-thirds of the taxpayer's gross income from all sources for three out of the immediately preceding five taxable years is from farming. The term "business of farming" shall have the same meaning as the term "carrying on of the trade or business of farming" as that term is used in Section 17064.7.

(D) The term "in this state" means that the sum of the taxpayer's payroll and property factors in this state divided by two is at least two-thirds. For the purposes of this subdivision, "property factor" is the same as that defined in Section 25129. For the purposes of this subdivision, "payroll factor" is the same as that defined in Section 25132. For the purposes of this subdivision, the property factor shall not include the lease or fee payments for grazing rights for periods of six months or less in an annual period.

(3) Where 50 percent or more of the stock of a corporation engaged in the business of farming is owned by a taxpayer (including the taxpayer's spouse or minor child) engaged in the business of farming, the aggregate net farm operating loss deductions of the taxpayer (including the taxpayer's spouse or minor child) and the corporation cannot exceed the amounts specified in subparagraph (B) of paragraph (1).

(4) This subdivision shall not apply to any taxpayer engaged in the

business of farming which, principally for the purpose of avoiding tax, liquidates assets, in whole or in part and then subsequently reorganizes that portion of the business under a new name.

(5) No net operating loss deduction shall be allowed for any loss which occurs prior to January 1, 1985, or for any loss which occurs in any taxable year beginning prior to January 1, 1985. No net operating loss deduction shall be allowed for any loss which occurs in any taxable year ending after December 31, 1992.

(e) A taxpayer who qualifies as a "qualified taxpayer" shall, for the taxable year of the net operating loss and any taxable year to which that net operating loss may be carried, designate on the return filed for each year the subdivision of this section which applies to that taxpayer with respect to that net operating loss. If the taxpayer is eligible to qualify under more than one subdivision of this section, the designation is to be made after taking into account the election required by subdivision (f) and shall be consistent with that election.

(f) If a taxpayer is eligible to qualify under more than one subdivision of this section as a "qualified taxpayer," with respect to a net operating loss in a taxable year, the taxpayer shall elect which subdivision of this section is to apply to the taxpayer. The election is to be made in a statement attached to the original return, timely filed, for the year the net operating loss is incurred and shall be irrevocable.

SEC. 10. Section 24331 of the Revenue and Taxation Code is amended to read:

24331. (a) There shall be allowed as a credit against the tax imposed by this part for the year (except the minimum franchise tax and the tax on preference income) an amount equal to the sum of each of the following:

(1) Fifty percent for qualified wages in year 1.

(2) Forty percent for qualified wages in year 2.

(3) Thirty percent for qualified wages in year 3.

(4) Twenty percent for qualified wages in year 4.

(5) Ten percent for qualified wages in year 5.

(b) For purposes of this section:

(1) "Qualified wages" means the wages paid or incurred by the employer during the income year to qualified disadvantaged individuals. "Qualified wages" means that portion of hourly wages which does not exceed 150 percent of the minimum wage.

(2) "Qualified years 1 through 5 wages" means, with respect to any individual, qualified wages received during the 60-month period beginning with the day the individual commences employment within an enterprise zone.

(3) "Minimum wage" means the wage established by the Industrial Welfare Commission as provided for in Chapter 1 (commencing with Section 1171) of Part 4 of Division 2 of the Labor Code.

(c) For purposes of this section:

(1) "Qualified disadvantaged individual" means an individual—

(A) Who is a qualified employee within the meaning of subdivi-

sion (d).

(B) Who is hired by the employer after the designation of the area in which services were performed as an enterprise zone (under Section 7073 of the Government Code).

(C) Who is any of the following:

(i) An individual who has been determined eligible by the administrative entity of a service delivery area for services under the federal Job Training Partnership Act (29 U.S.C. Sec. 1501 et seq.) and who is receiving subsidized employment, training, or services funded by the federal Job Training Partnership Act, except for an individual who only receives outreach, intake, or assessment services or a combination thereof.

(ii) Any voluntary or mandatory registrant under the Greater Avenues for Independence Act of 1985 provided for pursuant to Article 3.2 (commencing with Section 11320) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code.

(iii) Any voluntary or mandatory registrant for the Work Incentive Demonstration Program provided for pursuant to Section 11347 of the Welfare and Institutions Code.

(iv) Any voluntary or mandatory registrant for the Employment Preparation Program provided for pursuant to Article 3.5 (commencing with Section 11325) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code.

(d) For purposes of this section, "qualified employee" means an individual—

(1) At least 90 percent of whose services for the taxpayer during the income year are directly related to the conduct of the taxpayer's trade or business located in an enterprise zone.

(2) Who performs at least 50 percent of his or her services for the taxpayer during the income year in an enterprise zone.

(e) (1) For purposes of this section, all employees of all corporations which are members of the same controlled group of corporations shall be treated as employed by a single employer. In any such case, the credit (if any) allowable by this section to each member shall be determined by reference to its proportionate share of the qualified wages giving rise to the credit. For purposes of this subdivision, "controlled group of corporations" has the meaning given to that term by Section 1563(a) of the Internal Revenue Code, except that—

(A) "More than 50 percent" shall be substituted for "at least 80 percent" each place it appears in Section 1563(a)(1) of the Internal Revenue Code.

(B) The determination shall be made without regard to subsections (a)(4) and (e)(3)(C) of Section 1563 of the Internal Revenue Code.

(2) If an employer acquires the major portion of a trade or business of another employer (hereinafter in this paragraph referred to as the "predecessor") or the major portion of a separate unit of a trade or business of a predecessor, then, for purposes of applying this

section (other than subdivision (f)) for any calendar year ending after that acquisition, the employment relationship between an employee and an employer shall not be treated as terminated if the employee continues to be employed in that trade or business.

(f) (1) If the employment of any employee with respect to whom qualified wages are taken into account under subdivision (a) is terminated by the taxpayer at any time during the first 270 days of that employment (whether or not consecutive) or before the close of the 270th calendar day after the day in which that employee completes 90 days of employment with the taxpayer, the tax imposed by this part for the income year in which that employment is terminated shall be increased by an amount equal to the credit allowed under subdivision (a) for that income year and all prior income years attributable to qualified wages paid or incurred with respect to that employee.

(2) (A) Paragraph (1) shall not apply to any of the following:

(i) A termination of employment of an employee who voluntarily leaves the employment of the taxpayer.

(ii) A termination of employment of an individual who, before the close of the period referred to in paragraph (1), becomes disabled to perform the services of that employment, unless that disability is removed before the close of that period and the taxpayer fails to offer reemployment to that individual.

(iii) A termination of employment of an individual, if it is determined under the applicable unemployment compensation provisions that the termination was due to the misconduct of that individual.

(iv) A termination of employment of an individual due to a substantial reduction in the trade or business operations of the taxpayer.

(v) A termination of employment of an individual, if that individual is replaced by other qualified employees so as to create a net increase in both the number of employees and the hours of employment.

(B) For purposes of paragraph (1), the employment relationship between the taxpayer and an employee shall not be treated as terminated—

(i) By a transaction to which Section 381 (a) of the Internal Revenue Code applies, if the employee continues to be employed by the acquiring corporation, or

(ii) By reason of a mere change in the form of conducting the trade or business of the taxpayer, if the employee continues to be employed in that trade or business and the taxpayer retains a substantial interest in that trade or business.

(3) Any increase in tax under paragraph (1) shall not be treated as tax imposed by this part for purposes of determining the amount of any credit allowable under this part.

(g) In the case of—

(1) An organization to which Section 593 of the Internal Revenue Code applies, and

(2) A regulated investment company or a real estate investment trust subject to taxation under this part rules similar to the rules provided in subsections (e) and (h) of Section 46 of the Internal Revenue Code shall apply.

(h) For purposes of this section, "enterprise zone" means an area for which designation as an enterprise zone is in effect under Section 7073 of the Government Code.

(i) The credit shall be reduced by the credit allowed under Section 24330. The credit shall also be reduced by the credit allowed under Section 51 of the Internal Revenue Code.

In addition, no deduction shall be allowed under Section 24343 for that portion of the wages or salaries paid or incurred for the income year upon which the credit allowable under this section is based.

(j) In the case where the credit allowed under this section exceeds the taxes imposed by this part for the year (except the minimum franchise tax and the tax on preference income) that portion of the credit which exceeds those taxes may be carried over to the taxes imposed by this part (except the minimum franchise tax and the tax on preference income) in succeeding years for the number of years in which the designation of an enterprise zone under Section 7073 of the Government Code is operative, or 15 income years, if longer, until the credit is used. The credit shall be applied first to the earliest years possible.

(k) The amount of the credit provided by this section shall not in any year exceed the amount of tax which would be imposed on the income attributed to business activities of the taxpayer within the enterprise zone (as defined in Section 7073 of the Government Code). The amount of that attributed income shall be determined in accordance with the provisions of Article 2 (commencing with Section 25120) of Chapter 17.

SEC. 11. Section 24333 of the Revenue and Taxation Code is amended to read:

24333. (a) There shall be allowed as a credit against the tax imposed by this part for the year (except the minimum franchise tax and the tax on preference income) for the year the amount determined in subdivisions (c) and (d) for a qualified business which hires a qualified employee.

(b) For purposes of this section:

(1) "Qualified business" means a qualified business, as defined in Section 7082 of the Government Code, except that the percentage requirements with respect to employment of residents of a high-density unemployment area shall be applicable only to those employees hired within the 12 months immediately preceding the date that the business seeks certification from the Department of Commerce and not to the entire workforce of the business. A business shall be a qualified business only for the purposes of this section, provided that the Department of Commerce certifies that the business meets the standards set forth in this paragraph.

(2) "Qualified employee" means an employee who has been an

unemployed resident of a high density unemployment area (as defined in Section 7082 of the Government Code) prior to being employed by the qualified business. For the purposes of this section, participation by a prospective employee in a state or federally funded job training or work demonstration program shall not constitute employment, or effect the eligibility of an otherwise qualified employee. Qualified employee includes an otherwise qualified employee who is employed by a qualified business in the 90 days prior to its certification by the Department of Commerce as a qualified business for the purpose of becoming eligible for that certification.

(c) The credit provided for each qualified employee who has been unemployed for at least six months prior to being employed pursuant to subdivision (a) shall be as follows:

(1) Twelve percent of qualified wages for the first six months of employment.

(2) Twelve percent of qualified wages for the second six months of employment.

(3) Seven percent of qualified wages for the second year of employment.

(d) The credit provided for each qualified employee who has been unemployed for at least three months but less than six months prior to being employed shall be 5 percent of qualified wages for the first year of employment; however, the credit for the second year of employment shall be that provided in paragraph (3) of subdivision (c).

(e) For purposes of this section, "qualified wages" means that portion of wages not in excess of 150 percent of the minimum hourly wage paid or incurred by the qualified business during the income year to the qualified employee.

(f) (1) If the employment of any employee with respect to whom qualified wages are taken into account under subdivision (c) is terminated by the taxpayer at any time during the first 270 days of that employment (whether or not consecutive) or before the close of the 270th calendar day after the day in which that employee completes 90 days of employment with the taxpayer, the tax imposed by this part for the income year in which that employment is terminated shall be increased by an amount equal to the credit allowed under subdivision (a) for that income year and all prior income years attributable to qualified wages paid or incurred with respect to that employee.

(2) Paragraph (1) shall not apply to any of the following:

(A) A termination of employment of an employee who voluntarily leaves the employment of the taxpayer.

(B) A termination of employment of an individual who, before the close of the period referred to in paragraph (1), becomes disabled to perform the services of that employment, unless that disability is removed before the close of that period and the taxpayer fails to offer reemployment to that individual.

(C) A termination of employment of an individual, if it is deter-

mined under the applicable unemployment compensation provisions that the termination was due to the misconduct of that individual.

(D) A termination of employment of an individual due to a substantial reduction in the trade or business operations of the taxpayer.

(E) A termination of employment of an individual, if that individual is replaced by other qualified employees so as to create a net increase in both number of employees and hours of employment.

(g) In the case where the credit allowed under this section exceeds the taxes imposed by this part for the year (except the minimum franchise tax and the tax on preference income) that portion of the credit which exceeds those taxes may be carried over to the taxes imposed by this part (except the minimum franchise tax and the tax on preference income) in succeeding years until the credit is used. The credit shall be applied first to the earliest years possible.

(h) The amount of the credit allowed by this section for any year shall not exceed the amount of tax which would be imposed on the income attributed to business activities of the taxpayer within the program area (as defined in Section 7082 of the Government Code) as if that attributed income represented all of the net income of the taxpayer subject to tax under this part. The amount of that attributed income shall be determined in accordance with the provisions of Article 2 (commencing with Section 25120) of Chapter 17.

SEC. 12. Section 24356.2 of the Revenue and Taxation Code is amended to read:

24356.2. (a) A taxpayer may elect to treat the cost of any Section 24356.2 property as an expense which is not chargeable to capital account. Any cost so treated shall be allowed as a deduction for the income year in which the Section 24356.2 property is placed in service.

(b) (1) An election under this section for any income year shall—

(A) Specify the items of Section 24356.2 property to which the election applies and the portion of the cost of each of those items which is to be taken into account under subdivision (a), and

(B) Be made on the taxpayer's return of the tax imposed by this part for the income year.

(2) Any election made under this section, and any specification contained in that election, may not be revoked except with the consent of the Franchise Tax Board.

(c) (1) For purposes of this section, "Section 24356.2 property" means any recovery property which is Section 38 property under the terms of the Internal Revenue Code and which is acquired by purchase for exclusive use in a trade or business conducted within an enterprise zone designated pursuant to Section 7073 of the Government Code.

(2) For purposes of paragraph (1), "purchase" means any acquisition of property, but only if—

(A) The property is not acquired from a person whose relationship to the person acquiring it would result in the disallowance of

losses under Section 24427 through 24429 (but, in applying Sections 24428 and 24429 for purposes of this section, subdivision (d) of Section 24429 shall be treated as providing that the family of an individual shall include only his spouse, ancestors, and lineal descendants),

(B) The property is not acquired by one component member of an affiliated group from another component member of the same affiliated group, and

(C) The basis of the property in the hands of the person acquiring it is not determined in whole or in part by reference to the adjusted basis of such property in the hands of the person from whom acquired.

(3) For purposes of this section, the cost of property does not include so much of the basis of that property as is determined by reference to the basis of other property held at any time by the person acquiring that property.

(4) This section shall not apply to any Section 24356.2 property purchased by any person described in Section 46(e)(3) of the Internal Revenue Code unless the credit under Section 38 of the Internal Revenue Code is allowable with respect to that person for that property (determined without regard to this section).

(5) For purposes of subdivision (b)—

(A) All component members of an affiliated group shall be treated as one taxpayer, and

(B) The taxpayer shall apportion the dollar limitation contained in subdivision (f) among the component members of the affiliated group in whatever manner the board shall by regulations prescribe.

(6) For purposes of paragraphs (2) and (5), "affiliated group" has the meaning assigned to it by Section 1504 of the Internal Revenue Code, except that, for these purposes, the phrase "more than 50 percent" shall be substituted for the phrase "at least 80 percent" each place it appears in Section 1504(a) of the Internal Revenue Code.

(d) For purposes of this section, "taxpayer" means a taxpayer who conducts a trade or business within an enterprise zone designated pursuant to Section 7073 of the Government Code.

(e) Any taxpayer who elects to be subject to this section shall not be entitled to claim additional depreciation pursuant to Section 24356 with respect to any property which constitutes Section 24356.2 property.

(f) The deduction allowable under subdivision (a) for any income year shall not exceed the following applicable amount for the income year of the designation of an enterprise zone and income years thereafter:

	The applicable amount is:
Income year of designation	$ 5,000
1st income year thereafter	5,000
2nd income year thereafter	7,500
3rd income year thereafter	7,500

Each income year thereafter 10,000

(g) This section shall apply only to property which is used exclusively in a trade or business conducted within an enterprise zone.

(h) Any amounts deducted under subdivision (a) with respect to property which ceases to be used in the trade or business within an enterprise zone at any time before the close of the second income year after the property is placed in service shall be included in income for that year.

SEC. 13. Section 24384 of the Revenue and Taxation Code is amended to read:

24384. (a) There shall be allowed as a deduction the amount of net interest received by the taxpayer in payment of indebtedness of either of the following:

(1) A qualified business (as defined in Section 7082 of the Government Code).

(2) A person or entity engaged in trade or business located in an enterprise zone (as defined in Section 7073 of the Government Code).

(b) No deduction shall be allowed under subdivision (a) unless at the time the indebtedness is incurred each of the following requirements are met:

(1) The qualified business is located solely within a program area (as defined in Section 7082 of the Government Code), or the trade or business is located solely within an enterprise zone (as defined in Section 7073 of the Government Code).

(2) The indebtedness is incurred solely in connection with activity within the program area or enterprise zone.

(3) The taxpayer has no equity or other ownership interest in the debtor.

SEC. 14. Section 24417 of the Revenue and Taxation Code, as amended by Chapter 54 of the Statutes of 1986, is amended to read:

24417. The term "qualified taxpayer" as used in Section 24416 means any one of the following:

(a) A taxpayer engaged in a new small business.

(1) A net operating loss of a new small business shall not be a net operating loss carryback to any income year and shall be a net operating loss carryover to each of the 15 income years following the income year of the loss.

(A) A net operating loss may be carried over only by the corporation incurring the net operating loss.

(B) A net operating loss deduction by a taxpayer shall be allowed only for losses occurring within the first 24 months of active operation of the small business.

(C) The total amount of net operating loss a new small business may carry over pursuant to Section 24416 beginning on or after January 1, 1984, and thereafter, shall not exceed an aggregate of one hundred thousand dollars ($100,000) for all income years.

(2) For purposes of this subdivision, the definition of "small busi-

ness" established by the Department of General Services shall apply, with the following modifications:

(A) A taxpayer shall qualify as a "small business" if the gross receipts for the initial year of operation do not exceed one-third of the maximum receipts specified in Section 1896 of Subchapter 8 of Title 2 of the California Administrative Code as it may be amended from time to time for the applicable industry group. If the maximum receipts specified are modified at any time during the income year, the amount stated at the end of the income year shall apply.

(B) Where the initial calendar year of operation is less than 12 months, gross receipts for that year shall be annualized for purposes of applying subparagraph (A).

(C) The taxpayer shall bear the burden of furnishing all information in support of a claim that it qualifies as a new "small business" as defined in this subdivision.

(3) The term "new small business" does not include any of the following:

(A) A corporation which, for tax purposes only, liquidates its assets in whole or in part, in anticipation of an operating loss and then subsequently reorganizes that portion of the corporation under a new name.

(B) A corporation which is part of a controlled group, as defined by Section 1563 of the Internal Revenue Code. However, for purposes of this subparagraph, where the term "80 percent" is used in Section 1563 of the Internal Revenue Code, the term "50 percent" shall be substituted in lieu of "80 percent."

(C) A corporation which is controlled by another corporation, and whose affiliation with the controlling corporation does not constitute a small business. For purposes of this subparagraph, "controlled" means the ownership of stock possessing more than 50 percent of the total combined voting power of all classes of stock entitled to vote.

(4) No net operating loss deduction shall be allowed for any loss which occurs prior to January 1, 1984, or for any loss which occurs in any income year beginning prior to January 1, 1984.

(5) For purposes of this subdivision, "net operating loss" means the loss determined under Section 172 of the Internal Revenue Code, as modified by Section 24416, attributable to a new small business.

(b) A taxpayer engaged in the conduct of a qualified business within a program area (as defined in Section 7082 of the Government Code).

(1) (A) A net operating loss shall not be a net operating loss carryback for any income year and, except as provided in subparagraph (B), a net operating loss for any income year beginning on or after the date that the taxpayer becomes a qualified business shall be a net operating loss carryover to each of the 15 income years following the income year of loss.

(B) In the case of a financial institution to which Section 585, 586, or 593 of the Internal Revenue Code applies, a net operating loss for any income year beginning on or after January 1, 1984, shall be a net

operating loss carryover to each of the three income years following the income year of the loss. Subdivision (e) of Section 24416 and Section 172(b)(1)(F) and (G) of the Internal Revenue Code shall not apply.

(2) For purposes of this subdivision:

(A) "Net operating loss" means the loss determined under Section 172 of the Internal Revenue Code, as modified by Section 24416, attributable to the business activities of the taxpayer within the program area (as defined in Section 7082 of the Government Code). That attributed loss shall be determined in accordance with the provisions of Article 2 (commencing with Section 25120) of Chapter 17.

(B) A net operating loss carryover shall be a deduction only with respect to income attributed to the business activities of the taxpayer within the program area (as defined in Section 7082 of the Government Code) determined in accordance with the provisions of Article 2 (commencing with Section 25120) of Chapter 17.

(3) No net operating loss deduction shall be allowed for any loss which occurs prior to January 1, 1984, or for any loss which occurs in any income year beginning prior to January 1, 1984.

(c) A taxpayer who is engaged in the conduct of a trade or business within an enterprise zone designated pursuant to Section 7073 of the Government Code on or after that designation.

(1) (A) A net operating loss shall not be a net operating loss carryback to any income year and, except as provided in subparagraph (B), a net operating loss for any income year beginning on or after the date that the area in which the taxpayer conducts a trade or business is designated an enterprise zone shall be a net operating loss carryover to each following income year that ends before the expiration or revocation of the designation of the enterprise zone under Section 7073 of the Government Code or to each of 15 income years following the income year of loss, if longer.

(B) In the case of a financial institution to which Section 585, 586, or 593 of the Internal Revenue Code applies, a net operating loss for any income year beginning on or after January 1, 1984, shall be a net operating loss carryover to each of the five income years following the income year of the loss. Subdivision (e) of Section 24416 and Section 172(B)(1)(F) and (G) of the Internal Revenue Code shall not apply.

(2) For purposes of this subdivision:

(A) "Net operating loss" means the loss determined under Section 172 of the Internal Revenue Code, as modified by Section 24416, attributable to the business activities of the taxpayer within the enterprize zone (as defined in Section 7073 of the Government Code). The attributed loss shall be determined in accordance with the provisions of Article 2 (commencing with Section 25120) of Chapter 17.

(B) A net operating loss carryover shall be a deduction only with respect to income attributed to the business activities of the taxpayer within the enterprise zone (as defined in Section 7073 of the Govern-

ment Code) determined in accordance with the provisions of Article 2 (commencing with Section 25120) of Chapter 17.

(3) No net operating loss deduction shall be allowed for any loss which occurs prior to January 1, 1984, or for any loss which occurs in any income year beginning prior to January 1, 1984.

(d) A taxpayer engaged in the business of farming in this state.

(1) A net operating loss shall not be a net operating loss carryback to any income year and shall be a net operating loss carryover to each of the 15 income years following the income year of the loss.

(A) A net operating loss may be carried over only by the corporation incurring the net operating loss.

(B) For any net operating loss incurred in any income year beginning on or after January 1, 1985, the total amount of net operating loss that a taxpayer may carryover pursuant to Section 24416 to any income year beginning on or after January 1, 1986, shall not exceed an aggregate of fifty thousand dollars ($50,000) for any one income year. The net operating loss deduction claimed by any taxpayer pursuant to Section 24416 for any income year beginning after December 31, 1985, and incurred in any income year beginning after December 31, 1984, through any income year ending on or before December 31, 1992, shall not exceed an aggregate of two hundred fifty thousand dollars ($250,000).

(2) For purposes of this subdivision:

(A) "Net operating loss" means the loss determined under Section 172 of the Internal Revenue Code, as modified by Section 24416, attributed to the business of farming.

(B) A net operating loss carryover shall be a deduction only against income attributed to the business of farming.

(C) The term "business of farming" means that at least two-thirds of the taxpayer's gross income from all sources for three out of the immediately preceding five years is from farming. The term "business of farming" shall have the same meaning as the term "carrying on of the trade or business of farming" as that term is used in Section 17064.7.

(D) The term "in this state" means that the sum of the taxpayer's property and payroll factors (computed pursuant to Chapter 17 (commencing with Section 25101)), divided by two is at least two-thirds.

(3) Where 50 percent or more of the stock of a corporation engaged in the business of farming is owned by a taxpayer (including the taxpayer's spouse or minor child) engaged in the business of farming, the aggregate net farm operating loss deductions of the taxpayer (including the taxpayer's spouse or minor child) and the corporation cannot exceed the amounts specified in subparagraph (B) of paragraph (1).

(4) This subdivision shall not apply to any taxpayer engaged in the business of farming which, principally for the purpose of avoiding tax, liquidates assets, in whole or in part, and then subsequently reorganizes that portion of the business under a new name.

(5) No net operating loss deduction shall be allowed for any loss which occurs prior to January 1, 1985, or for any loss which occurs in any income year beginning prior to January 1, 1985. No net operating loss deduction shall be allowed for any loss which occurs in any income year ending after December 31, 1992.

(6) This subdivision shall not apply with respect to any corporation which has more than 10 shareholders.

(e) A taxpayer who qualifies as a "qualified taxpayer" shall, for the income year of the net operating loss and any income year to which that net operating loss may be carried, designate on the return filed for each year the subdivision of this section which applies to that taxpayer with respect to that net operating loss. If the taxpayer is eligible to qualify under more than one subdivision of this section, the designation is to be made after taking into account the election required by subdivision (f) and shall be consistent with that election.

(f) If a taxpayer is eligible to qualify under more than one subdivision of this section as a "qualified taxpayer," with respect to a net operating loss in an income year, the taxpayer shall elect which subdivision of this section is to apply to the taxpayer. The election is to be made in a statement attached to the original return, timely filed, for the year the net operating loss is incurred and shall be irrevocable.

SEC. 15. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

Since enterprise zones will become effective on July 1, 1986, in order to effectuate important changes in provisions relating to enterprise zones, as soon as possible, it is necessary that this act go into immediate effect.

CHAPTER 159

An act to amend Sections 4622 and 4626 of the Welfare and Institutions Code, relating to developmental disabilities.

[Approved by Governor June 17, 1986 Filed with Secretary of State June 18, 1986]

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

SECTION 1. Section 4622 of the Welfare and Institutions Code is amended to read:

4622. After July 1, 1978, the state shall contract only with agencies, the governing boards or the program policy committees of which conform to all of the following criteria:

(a) The governing board or the program policy committee shall be composed of individuals with demonstrated interest in, or

knowledge of, developmental disabilities.

(b) The membership of the governing board or the program policy committee shall include persons with legal, management, public relations, and developmental disability program skills.

(c) The membership of the governing board or the program policy committee shall include representatives of the various categories of disability to be served by the regional center.

(d) The governing board or the program policy committee shall reflect the geographic and ethnic characteristics of the area to be served by the regional center.

(e) A minimum of one-third of the members of the governing board or the program policy committee shall be persons with developmental disabilities or their parents or legal guardians.

(f) Members of the governing board or the program policy committee shall not be permitted to serve longer than six consecutive years.

(g) The governing board shall appoint an advisory committee composed of a wide variety of persons representing the various categories of providers from which the regional center purchases client services. The advisory committee shall provide advice, guidance, recommendations, and technical assistance to the regional center board in order to assist the regional center in carrying out its mandated functions. The advisory committee shall designate one of its members to serve as a member of the regional center board.

(h) No member of the board or the program policy committee who is an employee or member of the governing board of a provider from which the regional center purchases client services shall do any of the following:

(1) Serve as an officer of the board or program policy committee.

(2) Vote on any fiscal matter affecting the purchase of services from any regional center provider.

(3) Vote on any issue other than as described in paragraph (2), in which the member has a financial interest, as defined in Section 87103 of the Government Code, and determined by the regional center board or program policy committee. The member shall provide a list of his or her financial interests, as defined in Section 87103, to the regional center board or program policy committee.

Nothing in this section shall prevent the appointment to a regional center governing board or the program policy committee of a person who meets the criteria for more than one of the categories listed above.

This section shall remain in effect only until January 1, 1989, and on that date is repealed, unless a later enacted statute, which is enacted before January 1, 1989, deletes or extends that date. If that date is not deleted or extended, then, on and after January 1, 1989, pursuant to Section 9611 of the Government Code, Section 4622 of the Welfare and Institutions Code, as added by Section 550 of Chapter 1252 of the Statutes of 1977, shall have the same force and effect as if this temporary provision had not been enacted.

SEC. 2. Section 4626 of the Welfare and Institutions Code is amended to read:

4626. (a) In order to prevent potential conflicts of interest, no member of the governing board or member of the program policy committee of a regional center shall be any of the following:

(1) An employee of the State Department of Developmental Services or any state or local agency which provides services to a regional center client, if employed in a capacity which includes administrative or policymaking responsibility, or responsibility for the regulation of the regional center.

(2) An employee or a member of the state council or an area board.

(3) Except as otherwise provided in subdivision (h) of Section 4622, an employee or member of the governing board of any entity from which the regional center purchases client services.

(4) Any person who has a financial interest, as defined in Section 87103 of the Government Code, in regional center operations, except as a consumer of regional center services.

(b) Notwithstanding paragraph (1) of subdivision (a), members serving on the governing board or program policy committee of a regional center on January 1, 1982, may continue to serve on the board or committee until the expiration of their term as defined in subdivision (f) of Section 4622. Notwithstanding any other provision of this section, members serving on the governing board or program policy committee of a regional center on January 1, 1982, may continue to serve on the board or committee until the expiration of their current term. Changes in the composition of the board or committee required by amendments to this section that are operative on January 1, 1982, shall apply only to subsequent vacancies on the board or committee.

This section shall remain in effect only until January 1, 1989, and on that date is repealed, unless a later enacted statute, which is enacted before January 1, 1989, deletes or extends that date. If that date is not deleted or extended, then, on and after January 1, 1989, pursuant to Section 9611 of the Government Code, Section 4626 of the Welfare and Institutions Code, as amended by Section 168 of Chapter 101 of the Statutes of 1983, shall have the same force and effect as if this temporary provision had not been enacted.

CHAPTER 160

An act to amend Section 830.6 of the Penal Code, relating to peace officers.

[Approved by Governor June 17, 1986 Filed with Secretary of State June 18, 1986.]

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

SECTION 1. Section 830.6 of the Penal Code is amended to read:

830.6. (a) (1) Whenever any qualified person is deputized or appointed by the proper authority as a reserve or auxiliary sheriff or city policeman, a deputy sheriff, a reserve police officer of a regional park district or of a transit district, or a deputy of the Department of Fish and Game, and is assigned specific police functions by that authority, the person is a peace officer; provided, the person qualifies as set forth in Section 832.6, and provided further, that the authority of the person as a peace officer shall extend only for the duration of the person's specific assignment. A transit district reserve officer may carry firearms only if authorized by, and under those terms and conditions as are specified by, his or her employing agency.

(2) Whenever any qualified person is deputized or appointed by the proper authority as a reserve or auxiliary sheriff or city policeman, a deputy sheriff, or a reserve police officer of a regional park district or of a transit district, and is so designated by local ordinance or, if the local agency is not authorized to act by ordinance, by resolution, either individually or by class, and is assigned to the prevention and detection of crime and the general enforcement of the laws of this state by that authority, the person is a peace officer; provided the person qualifies as set forth in paragraph (1) of subdivision (a) of Section 832.6, and provided further, that the authority of the person shall include the full powers and duties of a peace officer as provided by Section 830.1, or in the case of a transit district reserve police officer, the powers and duties which are authorized in Section 830.4.

(b) Whenever any person is summoned to the aid of any uniformed peace officer, the summoned person shall be vested with the powers of a peace officer as are expressly delegated to him or her by the summoning officer or as are otherwise reasonably necessary to properly assist the officer.

CHAPTER 161

An act to repeal Section 1770.1 of the Welfare and Institutions Code, relating to juveniles.

[Approved by Governor June 17, 1986 Filed with Secretary of State June 18, 1986.]

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

SECTION 1. Section 1770.1 of the Welfare and Institutions Code is repealed.

CHAPTER 162

An act to amend Sections 17925 and 17927 of the Business and Professions Code, relating to fictitious business name statements.

[Approved by Governor June 17, 1986 Filed with Secretary of State June 18, 1986]

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

SECTION 1. Section 17925 of the Business and Professions Code is amended to read:

17925. (a) The county clerk shall maintain one or more indices which permit the determination of at least the following information:

(1) Whether any business using a specific fictitious business name has on file a fictitious business name statement setting forth such name and, if so, the file number of the statement.

(2) Whether any individual, general partner, or corporation is listed in any fictitious business name statement on file and, if so, the file number of the statement.

(3) Whether a statement of abandonment of use of a specific business name is on file and, if so, the file number of the statement of abandonment.

(4) Whether a statement of withdrawal from a partnership operating under fictitious business name is on file and, if so, the file number of the statement of withdrawal.

(b) Four years after a fictitious business name statement has expired, the county clerk may delete the information concerning that statement from the index, including any references to statements of abandonment of use, statements of withdrawal of partnerships, or any other references related to a fictitious business name statement which is being deleted from the index.

SEC. 2. Section 17927 of the Business and Professions Code is amended to read:

17927. (a) The county clerk shall mark each fictitious business

name statement with a file number and the date of filing and shall retain the original statement for his or her file. He or she may destroy or otherwise dispose of the statement four years after the statement expires.

(b) The county clerk shall mark each statement of abandonment of use of fictitious business name or statement of withdrawal from partnership operating under fictitious business name with a file number and the date of filing. He or she may destroy or otherwise dispose of the statement at the same time the fictitious business name statement to which it relates is destroyed pursuant to subdivision (a).

(c) In lieu of retaining the original statement on file, the county clerk may retain a copy of the statement in accordance with Section 69844.5 of the Government Code.

CHAPTER 163

An act to amend Sections 1585 and 1821 of, and to amend and renumber Section 777 of, the Financial Code, relating to financial institutions.

[Approved by Governor June 17, 1986 Filed with Secretary of State June 18, 1986.]

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

SECTION 1. Section 777 of the Financial Code, as amended by Chapter 1203 of the Statutes of 1982, is amended and renumbered to read:

777.5. (a) Notwithstanding the provisions of Sections 1051, 1052, and 1054 of the Labor Code and Section 2947 of the Penal Code, a commercial bank licensed to do business in California under the laws of this state or of the United States, or officer or employee thereof, may deliver fingerprints taken of an applicant for employment to local, state, or federal law enforcement agencies for the purpose of obtaining information as to the existence and nature of a criminal record, if any, of the applicant relating to convictions, and to any arrest for which the applicant is released on bail or on his or her own recognizance pending trial, for the commission or attempted commission of a crime involving robbery, burglary, theft, embezzlement, fraud, forgery, bookmaking, receiving stolen property, counterfeiting, or involving checks or credit cards or using computers.

(b) The Department of Justice shall, pursuant to Section 11105 of the Penal Code, and a local agency may, pursuant to Section 13300 of the Penal Code, furnish to the officer of the bank responsible for the final decision regarding employment of the applicant, or to his or her designees having responsibilities for personnel or security decisions in the usual scope and course of their employment with the

bank, summary criminal history information when requested pursuant to this section. If, upon evaluation of the criminal history information received pursuant to this section, the bank determines that employment of the applicant would constitute an unreasonable risk to the bank or its customers, the applicant may be denied employment.

(c) A request for records pursuant to this section made of the Department of Justice shall be on a form approved by the department. The department may charge a fee to be paid by the requesting bank pursuant to subdivision (e) of Section 11105 of the Penal Code. No request shall be submitted without the written consent of the applicant.

(d) Any criminal history information obtained pursuant to this section is confidential and no recipient shall disclose its contents other than for the purpose for which it was acquired.

SEC. 2. Section 1585 of the Financial Code is amended to read:

1585. Any corporation doing a departmental business as a title insurance company and as a trust company shall, as to its trust department, be subject to the requirements and have the benefit of the following provisions:

(a) It shall be subject to supervision and examination by the superintendent. The charges for this supervision and examination shall be assessed and paid in accordance with Article 5 (commencing with Section 270) of Chapter 2.

(b) It shall make all reports required by the superintendent of trust companies under this division.

(c) It shall be subject to and have the benefit of all provisions and requirements of this division and of all rules and regulations of the superintendent applicable to trust companies.

SEC. 3. Section 1821 of the Financial Code is amended to read:

1821. Whenever it appears to the superintendent that:

(a) Any licensee has violated any law of this state;

(b) Any licensee is conducting its business in an unsafe or unauthorized manner;

(c) Any licensee refuses to submit its books, papers, and affairs to the inspection of the superintendent;

(d) Any licensee or any officer of a licensee, if a corporation, refuses to be examined upon oath touching the concerns of such licensee;

(e) Any licensee has suspended payment of its obligations;

(f) Any licensee is in such condition that it is unsound, unsafe, or inexpedient for it to transact business; or

(g) Any licensee neglects or refuses to observe any order of the superintendent made pursuant to Section 1818 unless the enforcement of such order is restrained in a proceeding brought by the licensee;

the superintendent may forthwith take possession of the property and business of such licensee and retain possession until such licensee resumes business or its affairs be finally liquidated as herein

provided. Such licensee, with the consent of the superintendent, may resume business upon such conditions as he may prescribe.

CHAPTER 164

An act to add Section 6267 to the Government Code, relating to library records.

[Approved by Governor June 17, 1986. Filed with Secretary of State June 18, 1986]

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

SECTION 1. Section 6267 is added to the Government Code, to read:

6267. All registration and circulation records of any library which is in whole or in part supported by public funds shall remain confidential and shall not be disclosed to any person, local agency, or state agency except as follows:

(a) By a person acting within the scope of his or her duties within the administration of the library.

(b) By a person authorized, in writing, by the individual to whom the records pertain, to inspect the records.

(c) By order of the appropriate superior court.

As used in this section, the term "registration records" includes any information which a library requires a patron to provide in order to become eligible to borrow books and other materials, and the term "circulation records" includes any information which identifies the patrons borrowing particular books and other material.

This section shall not apply to statistical reports of registration and circulation nor to records of fines collected by the library.

CHAPTER 165

An act to amend, repeal, and add Sections 18020, 18025.5, and 18030 of, and to add and repeal Section 18013.2 of, the Health and Safety Code, relating to the Mobilehomes-Manufactured Housing Act of 1980, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 17, 1986. Filed with Secretary of State June 18, 1986]

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

SECTION 1. Section 18013.2 is added to the Health and Safety Code, to read:

18013.2. "Third-party entity" or " third party," as used in this

part, means an entity which is all of the following:

(a) In the business of inspecting equipment, systems, and assemblies.

(b) In the business of monitoring quality assurance programs.

(c) Not under the control or jurisdiction of any manufacturer or supplier for any affected industry except by contract as required and approved by the department.

(d) Making available specific information as required by the department.

(e) Approved by the department.

(f) This section shall remain in effect only until three calendar years subsequent to the initial approval date by the Department of Housing and Community Development of a third-party entity pursuant to subdivision (b) of Section 18020 or until January 1, 1990, whichever date occurs first, and as of that date is repealed unless a later enacted statute which is chaptered on or before the date of repeal deletes or extends those dates.

SEC. 2. Section 18020 of the Health and Safety Code is amended to read:

18020. (a) Except as provided by the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. Sec. 5401, et seq.), as it applies to the manufacture of new manufactured housing, the department shall enforce this part and the rules and regulations adopted thereunder.

(b) The department may, at the department's sole option, enforce Chapter 4 (commencing with Section 18025) and the rules and regulations adopted thereunder through department-approved third-party entities. The department shall adopt regulations for the approval of third-party entities, including, but not limited to, all of the following criteria:

(1) Freedom from any conflict of interest.

(2) Qualifications of personnel.

(3) Frequency of inspections or monitorings of manufacturer quality control.

(4) Involvement in collusive or fraudulent actions related to the performance of activities required by Section 18013.2.

(5) Any other conditions of operations the department may reasonably require.

(c) The department shall assure rotation of third-party entities performing inspection services for any manufacturing facility within the state to prevent either the third-party entity from performing within the same facility for more than 365 calendar days or from performing inspections for any facility when the third-party entity performed inspection services within the previous 365 calendar days.

(d) The department shall monitor the performance of third-party entities approved pursuant to subdivision (b) and shall require periodic reports in written form containing information the department may reasonably require to determine compliance with the conditions of the department's approval.

(1) When the department receives information about an alleged inadequacy in the performance of a third-party entity, including any involvement in collusive or fraudulent actions related to the performance of activities required by Section 18013.2, it shall consider the information in its monitoring efforts and make a determination about the validity of the alleged inadequacy in a timely manner.

(2) Where the department determines, either through its monitoring efforts or through information provided by any other person, that an approved third-party entity has failed to perform to the conditions of approval, the department may withdraw approval by forwarding written notice to the approved third-party entity by registered mail to its address of record, briefly summarizing the cause for the department's decision.

(3) A third-party entity upon having its approval withdrawn by the department, may request a hearing before the director of the department. The request for hearing shall be in writing and either delivered or postmarked prior to midnight on the 10th calendar day from the date of the department's notice.

(4) The department, upon timely receipt of a written request for hearing, shall, within 30 calendar days, schedule a hearing before the director or his or her agent. All hearings pursuant to this subdivision shall be held in the department's Sacramento offices and the decision of the director shall be final.

(5) A third-party entity whose approval has been withdrawn by the department shall not be permitted to reapply for the department's approval pursuant to subdivision (b) for a period of one year from the date the approval was withdrawn by the department.

(6) A third-party entity whose approval has been withdrawn more than once by the department shall not be permitted to reapply for department approval pursuant to subdivision (b) for a period of not less than one year from the date the department's approval was last withdrawn.

(7) No third-party entity shall perform the activities required by Section 18013.2 unless it has the approval of the department.

(e) (1) Upon finding a violation of subdivision (b) on the part of a third-party entity, the director shall issue citations and levy administrative fines. Each citation and fine assessment shall be in writing and describe the particulars for the citation. The citation and fine assessment shall be issued no later than six months after discovery of the violation.

(2) The fine for the first violation shall be at least five hundred dollars ($500) and shall not exceed one thousand dollars ($1,000), the fine for the second violation shall be at least two thousand dollars ($2,000) and not exceed four thousand dollars ($4,000), and the fine for the third violation shall be at least five thousand dollars ($5,000), and shall not exceed ten thousand dollars ($10,000). The fines shall be assessed for each day the violation occurs. If a third-party entity

has been cited more than three times during a 365 day period, the approval to conduct inspections on behalf of the department shall be suspended for a minimum of one year.

(3) The third-party entity may request an administrative hearing on the citation or fine. If the party fails to request a hearing within 30 days, and does not pay the fine, the approval to perform inspections shall be automatically revoked, until such time as the department finds that the circumstances which led to the citation have been corrected and the fines have been paid.

(4) Upon review of the findings from the administrative hearing, the director may modify, rescind, or uphold the citation and fine assessment. The decision of the director shall be served by regular mail.

(5) The fines shall be paid into the Housing and Community Development Fund, which is hereby created in the State Treasury, and shall be used, when appropriated by the Legislature, to offset the department's costs to administer this part.

(f) The remedies provided in this part to any aggrieved party are not exclusive and shall not preclude the applicability of any other provision of law.

(g) This section shall remain in effect only until three calendar years subsequent to the initial approval date by the Department of Housing and Community Development of a third-party entity pursuant to subdivision (b) of Section 18020 or until January 1, 1990, whichever date occurs first and as of that date is repealed unless a later enacted statute which is chaptered on or before the date of repeal deletes or extends those dates. If those dates are not deleted or extended, then on and after whichever of those dates occurs first, pursuant to Section 9611 of the Government Code, Section 18020 of the Health and Safety Code as amended by Chapter 975 of the Statutes of 1981 shall have the same force and effect as if this temporary provision had not been enacted.

SEC. 3. Section 18025.5 of the Health and Safety Code is amended to read:

18025.5. (a) Pursuant to the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C., Sec. 5401, et seq.), the department is authorized to assume responsibility for enforcement of manufactured home and mobilehome construction and safety standards relating to any issue with respect to which a federal standard has been established. The department may adopt regulations to ensure acceptance by the Secretary of Housing and Urban Development of California's plan for administration and enforcement of federal manufactured home and mobilehome safety and construction standards.

(b) The department is authorized to conduct inspections and investigations which it determines may be necessary to secure enforcement of the provisions of this part and regulations adopted pursuant thereto. For the purposes of enforcement of this part and the related regulations, persons duly designated by the director of

the department, upon presenting appropriate credentials to the owner, operator, or agent in charge, may:

(1) Enter, at any reasonable times and without advance notice, any factory, warehouse, saleslot, or establishment in which manufactured homes, mobilehomes, or commercial coaches are manufactured, stored, held for sale, sold, or offered for sale, rent, or lease.

(2) Inspect, at reasonable times, within reasonable limits, and in a reasonable manner, any factory, warehouse, saleslot, or establishment, and inspect the books, papers, records, and documents to ensure compliance with the provisions of this part.

(c) The department shall report monthly to the United States Department of Housing and Urban Development on the status of consumer complaints received by the department related to the performance of specific third-party inspection entities and shall make appropriate recommendations as to the Department of Housing and Urban Development's continued acceptance and approval of those entities.

(d) When the department is not the enforcement agency, every third-party entity shall promptly report, in writing, to the department any change in contractual relations with a manufacturer, which the third-party entity reasonably believes to be related to the inspection activities of the third-party entity.

(1) The department shall investigate all of these reports and make all recommendations to the Department of Housing and Urban Development regarding the department's findings which are appropriate.

(2) The findings of the department may be the basis for the commencement of a proceeding concerning revocation or suspension of a manufacturer's license.

(e) This section shall remain in effect only until three calendar years subsequent to the initial approval date by the Department of Housing and Community Development of a third-party entity pursuant to subdivision (b) of Section 18020 or until January 1, 1990, whichever date occurs first and as of that date is repealed unless a later enacted statute which is chaptered on or before the date of repeal deletes or extends those dates. If those dates are not deleted or extended, then on and after whichever of those dates occurs first, pursuant to Section 9611 of the Government Code, Section 18025.5 of the Health and Safety Code as amended by Chapter 1076 of the Statutes of 1983 shall have the same force and effect as if this temporary provision had not been enacted.

SEC. 4. Section 18030 of the Health and Safety Code is amended to read:

18030. If the department determines that standards for commercial coaches, special purpose commercial coaches, and recreational vehicles, which have been prescribed by the statutes or regulations of another state, are at least equal to the standards prescribed by the department, the department may so provide by

regulation. Thereafter, any commercial coaches, special purpose commercial coaches, or recreational vehicles which that other state has approved as meeting its standards shall be deemed to meet the standards of the department, if the department determines that the standards of the other state are actually being enforced.

This section shall remain in effect only until three calendar years subsequent to the initial approval date by the Department of Housing and Community Development of a third-party entity pursuant to subdivision (b) of Section 18020 or until January 1, 1990, whichever date occurs first and as of that date is repealed unless a later enacted statute which is chaptered on or before the date of repeal deletes or extends those dates. If those dates are not deleted or extended, then on and after whichever of those dates occurs first, pursuant to Section 9611 of the Government Code, Section 18030 of the Health and Safety Code as amended by Chapter 1342 of the Statutes of 1984 shall have the same force and effect as if this temporary provision had not been enacted.

SEC. 5. No later than July 1, 1989, the Department of Housing and Community Development shall transmit to the Governor and the Legislature a report which shall include, but need not be limited to, all of the following:

(a) A description and evaluation of the adequacy of the inspection activities performed by third-party entities.

(b) A description of, and supporting data on the frequency of inspections performed by, third-party entities, and an evaluation of the quality of those inspections in meeting the requirements of this act.

(c) Recommendations, as needed, to improve the operation and administration of third-party inspections and the desirability of continuing the authority for those inspections.

SEC. 6. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

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

In order to provide the necessary time for the Department of Housing and Community Development to develop adequate security, quality control, and assurance provisions, to adopt regulations, and to ensure that the conduct of manufactured housing inspection in California continues without reduction in frequency or quality, it is necessary for this act to take effect immediately.

CHAPTER 166

An act to repeal Section 1001.35 of the Penal Code, and to amend Section 4778 of the Welfare and Institutions Code, relating to developmental disabilities.

[Approved by Governor June 17, 1986 Filed with Secretary of State June 18, 1986.]

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

SECTION 1. Section 1001.35 of the Penal Code is repealed.

SEC. 2. Section 4778 of the Welfare and Institutions Code is amended to read:

4778. To the extent feasible, all funds appropriated for developmental disabilities programs under this part shall be allocated to such programs by August 1 of each year. Any funds not allocated by that date shall be reported to the Legislature together with specific reasons for the nonallocation of such funds.

CHAPTER 167

An act to amend Section 66801 of the Government Code, relating to the Tahoe Regional Planning Compact.

[Approved by Governor June 17, 1986. Filed with Secretary of State June 18, 1986.]

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

SECTION 1. Section 66801 of the Government Code is amended to read:

66801. The provisions of this interstate compact executed between the States of Nevada and California are as follows:

TAHOE REGIONAL PLANNING COMPACT

ARTICLE I. FINDINGS AND DECLARATIONS OF POLICY

(a) It is found and declared that:

(1) The waters of Lake Tahoe and other resources of the region are threatened with deterioration or degeneration, which endangers the natural beauty and economic productivity of the region.

(2) The public and private interests and investments in the region are substantial.

(3) The region exhibits unique environmental and ecological values which are irreplaceable.

(4) By virtue of the special conditions and circumstances of the

region's natural ecology, developmental pattern, population distribution and human needs, the region is experiencing problems of resource use and deficiencies of environmental control.

(5) Increasing urbanization is threatening the ecological values of the region and threatening the public opportunities for use of the public lands.

(6) Maintenance of the social and economic health of the region depends on maintaining the significant scenic, recreational, educational, scientific, natural and public health values provided by the Lake Tahoe Basin.

(7) There is a public interest in protecting, preserving and enhancing these values for the residents of the region and for visitors to the region.

(8) Responsibilities for providing recreational and scientific opportunities, preserving scenic and natural areas, and safeguarding the public who live, work and play in or visit the region are divided among local governments, regional agencies, the States of California and Nevada, and the federal government.

(9) In recognition of the public investment and multistate and national significance of the recreational values, the federal government has an interest in the acquisition of recreational property and the management of resources in the region to preserve environmental and recreational values, and the federal government should assist the states in fulfilling their responsibilities.

(10) In order to preserve the scenic beauty and outdoor recreational opportunities of the region, there is a need to insure an equilibrium between the region's natural endowment and its manmade environment.

(b) In order to enhance the efficiency and governmental effectiveness of the region, it is imperative that there be established a Tahoe Regional Planning Agency with the powers conferred by this compact including the power to establish environmental threshold carrying capacities and to adopt and enforce a regional plan and implementing ordinances which will achieve and maintain such capacities while providing opportunities for orderly growth and development consistent with such capacities.

(c) The Tahoe Regional Planning Agency shall interpret and administer its plans, ordinances, rules and regulations in accordance with the provisions of this compact.

ARTICLE II. DEFINITIONS

As used in this compact, the following terms have the following meanings:

(a) "Region," includes Lake Tahoe, the adjacent parts of Douglas and Washoe Counties and Carson City, which for the purposes of this compact shall be deemed a county, lying within the Tahoe Basin in the State of Nevada, and the adjacent parts of the Counties of Placer and El Dorado lying within the Tahoe Basin in the State of California,

and that additional and adjacent part of the County of Placer outside of the Tahoe Basin in the State of California which lies southward and eastward of a line starting at the intersection of the basin crestline and the north boundary of Section 1, thence west to the northwest corner of Section 3, thence south to the intersection of the basin crestline and the west boundary of Section 10; all sections referring to Township 15 North, Range 16 East, M.D.B. & M. The region defined and described herein shall be as precisely delineated on official maps of the agency.

(b) "Agency" means the Tahoe Regional Planning Agency.

(c) "Governing body" means the governing board of the Tahoe Regional Planning Agency.

(d) "Regional plan" means the long-term general plan for the development of the region.

(e) "Planning commission" means the advisory planning commission appointed pursuant to subdivision (h) of Article III.

(f) "Gaming" means to deal, operate, carry on, conduct, maintain or expose for play any banking or percentage game played with cards, dice or any mechanical device or machine for money, property, checks, credit or any representative of value, including, without limiting the generality of the foregoing, faro, monte, roulette, keno, bingo, fan-tan, twenty-one, blackjack, seven-and-a-half, big injun, klondike, craps, stud poker, draw poker or slot machine, but does not include social games played solely for drinks, or cigars or cigarettes served individually, games played in private homes or residences for prizes or games operated by charitable or educational organizations, to the extent excluded by applicable state law.

(g) "Restricted gaming license" means a license to operate not more than 15 slot machines on which a quarterly fee is charged pursuant to NRS 463.373 and no other games.

(h) "Project" means an activity undertaken by any person, including any public agency, if the activity may substantially affect the land, water, air, space or any other natural resources of the region.

(i) "Environmental threshold carrying capacity" means an environmental standard necessary to maintain a significant scenic, recreational, educational, scientific or natural value of the region or to maintain public health and safety within the region. Such standards shall include but not be limited to standards for air quality, water quality, soil conservation, vegetation preservation and noise.

(j) "Feasible" means capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, social and technological factors.

(k) "Areas open to public use" means all of the areas within a structure housing gaming under a nonrestricted license except areas devoted to the private use of guests.

(*l*) "Areas devoted to private use of guests" means hotel rooms and hallways to serve hotel room areas, and any parking areas. A

hallway serves hotel room areas if more than 50 percent of the areas of each side of the hallway are hotel rooms.

(m) "Nonrestricted license" means a gaming license which is not a restricted gaming license.

ARTICLE III. ORGANIZATION

(a) There is created the Tahoe Regional Planning Agency as a separate legal entity.

The governing body of the agency shall be constituted as follows:

(1) California delegation:

(A) One member appointed by each of the County Boards of Supervisors of the Counties of El Dorado and Placer and one member appointed by the City Council of the City of South Lake Tahoe. Any such member may be a member of the county board of supervisors or city council, respectively, and shall reside in the territorial jurisdiction of the governmental body making the appointment.

(B) Two members appointed by the Governor of California, one member appointed by the Speaker of the Assembly of California and one member appointed by the Senate Rules Committee of the State of California. The members appointed pursuant to this subparagraph shall not be residents of the region and shall represent the public at large within the State of California. A member appointed by the Speaker of the Assembly or the Senate Rules Committee may, subject to confirmation by his or her appointing power, designate an alternate to attend meetings and vote in the absence of the appointed member. The designation of a named alternate, which shall be in writing and contain evidence of confirmation by the appointing power, shall be kept on file with the agency. An appointed member may change his or her alternate from time to time, with the confirmation of the appointing power, but shall have only one designated alternate at a time. An alternate shall be subject to those qualifications and requirements prescribed by this compact that are applicable to the appointed member.

(2) Nevada delegation:

(A) One member appointed by each of the boards of county commissioners of Douglas and Washoe Counties and one member appointed by the Board of Supervisors of Carson City. Any such member may be a member of the board of county commissioners or board of supervisors, respectively, and shall reside in the territorial jurisdiction of the governmental body making the appointment.

(B) Two members appointed by the Governor of Nevada, one member appointed by the Speaker of the Assembly and one member appointed by the Majority Leader of the Nevada Senate. All members appointed pursuant to this subparagraph shall not be residents of the region and shall represent the public at large within the State of Nevada. A member appointed by the Speaker of the Nevada Assembly or the Majority Leader of the Nevada Senate may,

subject to confirmation by his or her appointing power, designate an alternate to attend meetings and vote in the absence of the appointed member. The designation of a named alternate, which shall be in writing and contain evidence of confirmation by the appointing power, shall be kept on file with the agency. An appointed member may change his or her alternate from time to time, with the confirmation of the appointing power, but shall have only one designated alternate at a time. An alternate shall be subject to those qualifications and requirements prescribed by this compact that are applicable to the appointed member.

(3) If any appointing authority under paragraph (1)(A), (1)(B), (2)(A) or (2)(B) fails to make such an appointment within 60 days after the effective date of the amendments to this compact or the occurrence of a vacancy on the governing body, the governor of the state in which the appointing authority is located shall make the appointment. The term of any member so appointed shall be 1 year.

(4) The position of any member of the governing body shall be deemed vacant if such a member is absent from three consecutive meetings of the governing body in any calendar year.

(5) Each member and employee of the agency shall disclose his economic interests in the region within 10 days after taking his seat on the governing board or being employed by the agency and shall thereafter disclose any further economic interest which he acquires, as soon as feasible after he acquires it. As used in this paragraph, "economic interests" means:

(A) Any business entity operating in the region in which the member or employee has a direct or indirect investment worth more than one thousand dollars ($1,000).

(B) Any real property located in the region in which the member or employee has a direct or indirect interest worth more than one thousand dollars ($1,000).

(C) Any source of income attributable to activities in the region, other than loans by or deposits with a commercial lending institution in the regular course of business, aggregating two hundred fifty dollars ($250) or more in value received by or promised to the member within the preceding 12 months; or

(D) Any business entity operating in the region in which the member or employee is a director, officer, partner, trustee, employee or holds any position of management.

No member or employee of the agency shall make, or attempt to influence, an agency decision in which he knows or has reason to know he has an economic interest. Members and employees of the agency must disqualify themselves from making or participating in the making of any decision of the agency when it is reasonably foreseeable that the decision will have a material financial effect, distinguishable from its effect on the public generally, on the economic interests of the member or employee.

(b) The members of the agency shall serve without compensation, but the expenses of each member shall be met by the

body which he represents in accordance with the law of that body. All other expenses incurred by the governing body in the course of exercising the powers conferred upon it by this compact unless met in some other manner specifically provided, shall be paid by the agency out of its own funds.

(c) The members of the governing body serve at the pleasure of the appointing authority in each case, but each appointment shall be reviewed no less often than every 4 years. Members may be reappointed.

(d) The governing body of the agency shall meet at least monthly. All meetings shall be opened to the public to the extent required by the law of the State of California or the State of Nevada, whichever imposes the greater requirement, applicable to local governments at the time such meeting is held. The governing body shall fix a date for its regular monthly meeting in such terms as the "the first Monday of each month," and shall not change such date more often than once in any calendar year. Notice of the date so fixed shall be given by publication at least once in a newspaper or combination of newspapers whose circulation is general throughout the region and in each county a portion of whose territory lies within the region. Notice of any special meeting, except an emergency meeting, shall be given by so publishing the date and place and posting an agenda at least 5 days prior to the meeting.

(e) The position of a member of the governing body shall be considered vacated upon his loss of any of the qualifications required for his appointment and in such event the appointing authority shall appoint a successor.

(f) The governing body shall elect from its own members a chairman and vice chairman, whose terms of office shall be 2 years, and who may be reelected. If a vacancy occurs in either office, the governing body may fill such vacancy for the unexpired term.

(g) Four of the members of the governing body from each state constitute a quorum for the transaction of the business of the agency. The voting procedures shall be as follows:

(1) For adopting, amending or repealing environmental threshold carrying capacities, the regional plan, and ordinances, rules and regulations, and for granting variances from the ordinances, rules and regulations, the vote of at least four of the members of each state agreeing with the vote of at least four members of the other state shall be required to take action. If there is no vote of at least four of the members from one state agreeing with the vote of at least four of the members of the other state on the actions specified in this paragraph, an action of rejection shall be deemed to have been taken.

(2) For approving a project, the affirmative vote of at least five members from the state in which the project is located and the affirmative vote of at least nine members of the governing body are required. If at least five members of the governing body from the state in which the project is located and at least nine members of the

entire governing body do not vote in favor of the project, upon a motion for approval, an action of rejection shall be deemed to have been taken. A decision by the agency to approve a project shall be supported by a statement of findings, adopted by the agency, which indicates that the project complies with the regional plan and with applicable ordinances, rules and regulations of the agency.

(3) For routine business and for directing the agency's staff on litigation and enforcement actions, at least eight members of the governing body must agree to take action. If at least eight votes in favor of such action are not cast, an action of rejection shall be deemed to have been taken.

Whenever under the provisions of this compact or any ordinance, rule, regulation or policy adopted pursuant thereto, the agency is required to review or approve any project, public or private, the agency shall take final action by vote, whether to approve, to require modification or to reject such project, within 180 days after the application for such project is accepted as complete by the agency in compliance with the agency's rules and regulations governing such delivery unless the applicant has agreed to an extension of this time limit. If a final action by vote does not take place within 180 days, the applicant may bring an action in a court of competent jurisdiction to compel a vote unless he has agreed to an extension. This provision does not limit the right of any person to obtain judicial review of agency action under subdivision (h) of Article VI. The vote of each member of the governing body shall be individually recorded. The governing body shall adopt its own rules, regulations and procedures.

(h) An advisory planning commission shall be appointed by the agency. The commission shall include: the chief planning officers of Placer County, El Dorado County, and the City of South Lake Tahoe in California and of Douglas County, Washoe County and Carson City in Nevada, the executive officer of the Lahontan Regional Water Quality Control Board of the State of California, the executive officer of the Air Resources Board of the State of California, the Director of the State Department of Conservation and Natural Resources of the State of Nevada, the Administrator of the Division of Environmental Protection in the State Department of Conservation and Natural Resources of the State of Nevada, the Administrator of the Lake Tahoe Management Unit of the United States Forest Service, and at least four lay members with an equal number from each state, at least half of whom shall be residents of the region. Any official member may designate an alternate.

The term of office of each lay member of the advisory planning commission shall be 2 years. Members may be reappointed.

The position of each member of the advisory planning commission shall be considered vacated upon loss of any of the qualifications required for appointment, and in such an event the appointing authority shall appoint a successor.

The advisory planning commission shall elect from its own

members a chairman and a vice chairman, whose terms of office shall be 2 years and who may be reelected. If a vacancy occurs in either office, the advisory planning commission shall fill such vacancy for the unexpired term.

A majority of the members of the advisory planning commission constitutes a quorum for the transaction of the business of the commission. A majority vote of the quorum present shall be required to take action with respect to any matter.

(i) The agency shall establish and maintain an office within the region, and for this purpose the agency may rent or own property and equipment. Every plan, ordinance and other record of the agency which is of such nature as to constitute a public record under the law of either the State of California or the State of Nevada shall be opened to inspection and copying during regular office hours.

(j) Each authority charged under this compact or by the law of either state with the duty of appointing a member of the governing body of the agency shall by certified copy of its resolution or other action notify the Secretary of State of its own state of the action taken.

ARTICLE IV. PERSONNEL

(a) The governing body shall determine the qualification of, and it shall appoint and fix the salary of, the executive officer of the agency, and shall employ such other staff and legal counsel as may be necessary to execute the powers and functions provided for under this compact or in accordance with any intergovernmental contracts or agreements the agency may be responsible for administering.

(b) Agency personnel standards and regulations shall conform insofar as possible to the regulations and procedures of the civil service of the State of California or the State of Nevada, as may be determined by the governing body of the agency; and shall be regional and bistate in application and effect; provided that the governing body may, for administrative convenience and at its discretion, assign the administration of designated personnel arrangements to an agency of either state, and provided that administratively convenient adjustments be made in the standards and regulations governing personnel assigned under intergovernmental agreements.

(c) The agency may establish and maintain or participate in such additional programs of employee benefits as may be appropriate to afford employees of the agency terms and conditions of employment similar to those enjoyed by employees of California and Nevada generally.

ARTICLE V. PLANNING

(a) In preparing each of the plans required by this article and each amendment thereto, if any, subsequent to its adoption, the

planning commission after due notice shall hold at least one public hearing which may be continued from time to time, and shall review the testimony and any written recommendations presented at such hearing before recommending the plan or amendment. The notice required by this subdivision shall be given at least 20 days prior to the public hearing by publication at least once in a newspaper or combination of newspapers whose circulation is general throughout the region and in each county a portion of whose territory lies within the region.

The planning commission shall then recommend such plan or amendment to the governing body for adoption by ordinance. The governing body may adopt, modify or reject the proposed plan or amendment, or may initiate and adopt a plan or amendment without referring it to the planning commission. If the governing body initiates or substantially modifies a plan or amendment, it shall hold at least one public hearing thereon after due notice as required in this subdivision.

If a request is made for the amendment of the regional plan by:

(1) A political subdivision a part of whose territory would be affected by such amendment; or

(2) The owner or lessee of real property which would be affected by such amendment, the governing body shall complete its action on such amendment within 180 days after such request is accepted as complete according to standards which must be prescribed by ordinance of the agency.

(b) The agency shall develop, in cooperation with the States of California and Nevada, environmental threshold carrying capacities for the region. The agency should request the President's Council on Environmental Quality, the United States Forest Service and other appropriate agencies to assist in developing such environmental threshold carrying capacities. Within 18 months after the effective date of the amendments to this compact, the agency shall adopt environmental threshold carrying capacities for the region.

(c) Within 1 year after the adoption of the environmental threshold carrying capacities for the region, the agency shall amend the regional plan so that, at a minimum, the plan and all of its elements, as implemented through agency ordinances, rules and regulations, achieves and maintains the adopted environmental threshold carrying capacities. Each element of the plan shall contain implementation provisions and time schedules for such implementation by ordinance. The planning commission and governing body shall continuously review and maintain the regional plan. The regional plan shall consist of a diagram, or diagrams, and text, or texts setting forth the projects and proposals for implementation of the regional plan, a description of the needs and goals of the region and a statement of the policies, standards and elements of the regional plan.

The regional plan shall be a single enforceable plan and include all of the following correlated elements:

(1) A land use plan for the integrated arrangement and general location and extent of, and the criteria and standards for, the uses of land, water, air, space and other natural resources within the region, including but not limited to, an indication or allocation of maximum population densities and permitted uses.

(2) A transportation plan for the integrated development of a regional system of transportation, including but not limited to parkways, highways, transportation facilities, transit routes, waterways, navigation facilities, public transportation facilities, bicycle facilities, and appurtenant terminals and facilities for the movement of people and goods within the region. The goal of transportation planning shall be:

(A) To reduce dependency on the automobile by making more effective use of existing transportation modes and of public transit to move people and goods within the region and

(B) To reduce to the extent feasible air pollution which is caused by motor vehicles.

Where increases in capacity are required, the agency shall give preference to providing such capacity through public transportation and public programs and projects related to transportation. The agency shall review and consider all existing transportation plans in preparing its regional transportation plan pursuant to this paragraph.

The plan shall provide for an appropriate transit system for the region.

The plan shall give consideration to:

(A) Completion of the Loop Road in the States of Nevada and California;

(B) Utilization of a light rail mass transit system in the South Shore area; and

(C) Utilization of a transit terminal in the Kingsbury Grade area.

Until the regional plan is revised, or a new transportation plan is adopted in accordance with this paragraph, the agency has no effective transportation plan.

(3) A conservation plan for the preservation, development, utilization, and management of the scenic and other natural resources within the basin, including but not limited to, soils, shoreline and submerged lands, scenic corridors along transportation routes, open spaces, recreational and historical facilities.

(4) A recreation plan for the development, utilization, and management of the recreational resources of the region, including but not limited to, wilderness and forested lands, parks and parkways, riding and hiking trails, beaches and playgrounds, marinas, areas for skiing and other recreational facilities.

(5) A public services and facilities plan for the general location, scale and provision of public services and facilities, which, by the nature of their function, size, extent and other characteristics are necessary or appropriate for inclusion in the regional plan.

In formulating and maintaining the regional plan, the planning commission and governing body shall take account of and shall seek

to harmonize the needs of the region as a whole, the plans of the counties and cities within the region, the plans and planning activities of the state, federal and other public agencies and nongovernmental agencies and organizations which affect or are concerned with planning and development within the region.

(d) The regional plan shall provide for attaining and maintaining federal, state, or local air and water quality standards, whichever are strictest, in the respective portions of the region for which the standards are applicable.

The agency may, however, adopt air or water quality standards or control measures more stringent than the applicable state implementation plan or the applicable federal, state, or local standards for the region, if it finds that such additional standards or control measures are necessary to achieve the purposes of this compact. Each element of the regional plan, where applicable, shall, by ordinance, identify the means and time schedule by which air and water quality standards will be attained.

(e) Except for the Regional Transportation Plan of the California Tahoe Regional Planning Agency, the regional plan, ordinances, rules and regulations adopted by the California Tahoe Regional Planning Agency in effect on July 1, 1980, shall be the regional plan, ordinances, rules and regulations of the Tahoe Regional Planning Agency for that portion of the Tahoe region located in the State of California. Such plan, ordinance, rule or regulation may be amended or repealed by the governing body of the agency. The plans, ordinances, rules and regulations of the Tahoe Regional Planning Agency that do not conflict with, or are not addressed by, the California Tahoe Regional Planning Agency's plans, ordinances, rules and regulations referred to in this subdivision shall continue to be applicable unless amended or repealed by the governing body of the agency. No provision of the regional plan, ordinances, rules and regulations of the California Tahoe Regional Planning Agency referred to in this subdivision shall apply to that portion of the region within the State of Nevada, unless such provision is adopted for the Nevada portion of the region by the governing body of the agency.

(f) The regional plan, ordinances, rules and regulations of the Tahoe Regional Planning Agency apply to that portion of the region within the State of Nevada.

(g) The agency shall adopt ordinances prescribing specific written findings that the agency must make prior to approving any project in the region. These findings shall relate to environmental protection and shall insure that the project under review will not adversely affect implementation of the regional plan and will not cause the adopted environmental threshold carrying capacities of the region to be exceeded.

(h) The agency shall maintain the data, maps and other information developed in the course of formulating and administering the regional plan, in a form suitable to assure a consistent view of developmental trends and other relevant

information for the availability of and use by other agencies of government and by private organizations and individuals concerned.

(i) Where necessary for the realization of the regional plan, the agency may engage in collaborative planning with local governmental jurisdictions located outside the region, but contiguous to its boundaries. In formulating and implementing the regional plan, the agency shall seek the cooperation and consider the recommendations of counties and cities and other agencies of local government, of state and federal agencies, of educational institutions and research organizations, whether public or private, and of civic groups and private persons.

ARTICLE VI. AGENCY'S POWERS

(a) The governing body shall adopt all necessary ordinances, rules, and regulations to effectuate the adopted regional plan. Except as otherwise provided in this compact, every such ordinance, rule or regulation shall establish a minimum standard applicable throughout the region. Any political subdivision or public agency may adopt and enforce an equal or higher requirement applicable to the same subject of regulation in its territory. The regulations of the agency shall contain standards including but not limited to the following: water purity and clarity; subdivision; zoning; tree removal; solid waste disposal; sewage disposal; land fills, excavations, cuts and grading; piers, harbors, breakwaters or channels and other shoreline developments; waste disposal in shoreline areas; waste disposal from boats; mobile-home parks; house relocation; outdoor advertising; flood plain protection; soil and sedimentation control; air pollution; and watershed protection. Whenever possible without diminishing the effectiveness of the regional plan, the ordinances, rules, regulations and policies shall be confined to matters which are general and regional in application, leaving to the jurisdiction of the respective states, counties and cities the enactment of specific and local ordinances, rules, regulations and policies which conform to the regional plan.

The agency shall prescribe by ordinance those activities which it has determined will not have substantial effect on the land, water, air, space or any other natural resources in the region and therefore will be exempt from its review and approval.

Every ordinance adopted by the agency shall be published at least once by title in a newspaper or combination of newspapers whose circulation is general throughout the region. Except an ordinance adopting or amending the regional plan, no ordinance shall become effective until 60 days after its adoption. Immediately after its adoption, a copy of each ordinance shall be transmitted to the governing body of each political subdivision having territory within the region.

(b) No project other than those to be reviewed and approved

under the special provisions of subdivisions (d), (e), (f) and (g) may be developed in the region without obtaining the review and approval of the agency and no project may be approved unless it is found to comply with the regional plan and with the ordinances, rules and regulations enacted pursuant to subdivision (a) to effectuate that plan.

The agency may approve a project in the region only after making the written findings required by this subdivision or subdivision (g) of Article V. Such findings shall be based on substantial evidence in the record.

Before adoption by the agency of the ordinances required in subdivision (g) of Article V, the agency may approve a project in the region only after making written findings on the basis of substantial evidence in the record that the project is consistent with the regional plan then in effect and with applicable plans, ordinances, regulations and standards of federal and state agencies relating to the protection, maintenance and enhancement of environmental quality in the region.

(c) The Legislatures of the States of California and Nevada find that in order to make effective the regional plan as revised by the agency, it is necessary to halt temporarily works of development in the region which might otherwise absorb the entire capability of the region for further development or direct it out of harmony with the ultimate plan. Subject to the limitation provided in this subdivision, from the effective date of the amendments to this compact until the regional plan is amended pursuant to subdivision (c) of Article V, or until May 1, 1983, whichever is earlier:

(1) Except as otherwise provided in this paragraph, no new subdivision, planned unit development, or condominium project may be approved unless a complete tentative map or plan has been approved before the effective date of the amendments to this compact by all agencies having jurisdiction. The subdivision of land owned by a general improvement district, which existed and owned the land before the effective date of the amendments to this compact, may be approved if subdivision of the land is necessary to avoid insolvency of the district.

(2) Except as provided in paragraph (3), no apartment building may be erected unless the required permits for such building have been secured from all agencies having jurisdiction, prior to the effective date of the amendments to this compact.

(3) During each of the calendar years 1980, 1981, and 1982 no city or county may issue building permits which authorize the construction of a greater number of new residential units within the region than were authorized within the region by building permits issued by that city or county during calendar year 1978. For the period of January through April, 1983 building permits authorizing the construction of no more than ⅓ of that number may be issued by each such city or county. For purposes of this paragraph a "residential unit" means either a single family residence or an

individual residential unit within a larger building, such as an apartment building, a duplex or a condominium.

The Legislatures find the respective numbers of residential units authorized within the region during calendar year 1978 to be as follows:

1. City of South Lake Tahoe and El Dorado County (combined)	252
2. Placer County	278
3. Carson City	0
4. Douglas County	339
5. Washoe County	739

(4) During each of the calendar years 1980, 1981 and 1982, no city or county may issue building permits which authorize construction of a greater square footage of new commercial buildings within the region than were authorized within the region by building permits for commercial purposes issued by that city or county during the calendar year 1978. For the period of January through April, 1983 building permits authorizing the construction of no more than ⅓ the amount of that square footage may be issued by each such city or county.

The Legislatures find the respective square footages of commercial buildings authorized within the region during calendar year 1978 to be as follows:

1. City of South Lake Tahoe and El Dorado County (combined)	64,324
2. Placer County	23,000
3. Carson City	0
4. Douglas County	57,354
5. Washoe County	50,600

(5) No structure may be erected to house gaming under a nonrestricted license.

(6) No facility for the treatment of sewage may be constructed or enlarged except:

(A) To comply, as ordered by the appropriate state agency for the control of water pollution, with existing limitations of effluence under the Clean Water Act, 33 U.S.C. S1251 et seq., and the applicable state law for control of water pollution; or

(B) To accommodate development which is not prohibited or limited by this subdivision; or

(C) In the case of Douglas County Sewer District #1, to modify or otherwise alter sewage treatment facilities existing on the effective date of the amendments to this compact so that such facilities will be able to treat the total volume of effluence for which they were originally designed which is 3.0 mgd. Such modification or alteration is not a "project"; is not subject to the requirements of Article VII; and does not require a permit from the agency. Before commencing

such modification or alternative, however, the district shall submit to the agency its report identifying any significant soil erosion problems which may be caused by such modifications or alterations and the measures which the district proposes to take to mitigate or avoid such problems.

The moratorium imposed by this subdivision does not apply to work done pursuant to a right vested before the effective date of the amendments to this compact. Notwithstanding the expiration date of the moratorium imposed by this subdivision, no new highway may be built or existing highway widened to accommodate additional continuous lanes for automobiles until the regional transportation plan is revised and adopted.

The moratorium imposed by this subdivision does not apply to the construction of any parking garage which has been approved by the agency prior to May 4, 1979, whether that approval was affirmative or by default. The provisions of this paragraph are not an expression of legislative intent that any such parking garage, the approval of which is the subject of litigation which was pending on the effective date of the amendments to this compact, should, or should not, be constructed. The provisions of this paragraph are intended solely to permit construction of such a parking garage if judgment sustaining the agency's approval to construct that parking garage has become final and no appeal is pending or may lawfully be taken to a higher court.

(d) Subject to the final order of any court of competent jurisdiction entered in litigation contesting the validity of an approval by the Tahoe Regional Planning Agency, whether that approval was affirmative or by default, if that litigation was pending on May 4, 1979, the agency and the States of California and Nevada shall recognize as a permitted and conforming use:

(1) Every structure housing gaming under a nonrestricted license which existed as a licensed gaming establishment on May 4, 1979, or whose construction was approved by the Tahoe Regional Planning Agency affirmatively or deemed approved before that date. The construction or use of any structure to house gaming under a nonrestricted license not so existing or approved, or the enlargement in cubic volume of any such existing or approved structure is prohibited.

(2) Every other nonrestricted gaming establishment whose use was seasonal and whose license was issued before May 4, 1979, for the same season and for the number and type of games and slot machines on which taxes or fees were paid in the calendar year 1978.

(3) Gaming conducted pursuant to a restricted gaming license issued before May 4, 1979, to the extent permitted by that license on that date. The area within any structure housing gaming under a nonrestricted license which may be open to public use (as distinct from that devoted to the private use of guests and exclusive of any parking area) is limited to the area existing or approved for public use on May 4, 1979. Within these limits, any external modification of

the structure which requires a permit from a local government also requires approval from the agency. The agency shall not permit restaurants, convention facilities, showrooms or other public areas to be constructed elsewhere in the region outside the structure in order to replace areas existing or approved for public use on May 4, 1979.

(e) Any structure housing licensed gaming may be rebuilt or replaced to a size not to exceed the cubic volume, height and land coverage existing or approved on May 4, 1979, without the review or approval of the agency or any planning or regulatory authority of the State of Nevada whose review or approval would be required for a new structure.

(f) The following provisions apply to any internal or external modification, remodeling, change in use, or repair of a structure housing gaming under a nonrestricted license which is not prohibited by subdivision (d):

(1) The agency's review of an external modification of the structure which requires a permit from a local government is limited to determining whether the external modification will do any of the following:

(A) Enlarge the cubic volume of the structure;

(B) Increase the total square footage of area open to or approved for public use on May 4, 1979;

(C) Convert an area devoted to the private use of guests to an area open to public use;

(D) Increase the public area open to public use which is used for gaming beyond the limits contained in paragraph (3); and

(E) Conflict with or be subject to the provisions of any of the agency's ordinances that are generally applicable throughout the region.

The agency shall make this determination within 60 days after the proposal is delivered to the agency in compliance with the agency's rules or regulations governing such delivery unless the applicant has agreed to an extension of this time limit. If an external modification is determined to have any of the effects enumerated in subparagraphs (A) through (C), it is prohibited. If an external modification is determined to have any of the effects enumerated in subparagraphs (D) or (E), it is subject to the applicable provisions of this compact. If an external modification is determined to have no such effect, it is not subject to the provisions of this compact.

(2) Except as provided in paragraph (3), internal modification, remodeling, change in use or repair of a structure housing gaming under a nonrestricted license is not a project and does not require the review or approval of the agency.

(3) Internal modification, remodeling, change in use or repair of areas open to the public use within a structure housing gaming under a nonrestricted license which alone or in combination with any other such modification, remodeling, change in use or repair will increase the total portion of those areas which are used for gaming by more than the product of the total base area, as defined below, in square

feet existing on or approved before August 4, 1980, multiplied by 15 percent constitutes a project and is subject to all of the provisions of this compact relating to projects. For purposes of this paragraph and the determination required by subdivision (g), base area means all of the area within a structure housing gaming under a nonrestricted license which may be open to public use, whether or not gaming is actually conducted or carried on in that area, except retail stores, convention centers and meeting rooms, administrative offices, kitchens, maintenance and storage areas, rest rooms, engineering and mechanical rooms, accounting rooms and counting rooms.

(g) In order to administer and enforce the provisions of subdivisions (d), (e) and (f), the State of Nevada, through its appropriate planning or regulatory agency, shall require the owner or licensee of a structure housing gaming under a nonrestricted license to provide:

(1) Documents containing sufficient information for the Nevada agency to establish the following relative to the structure:

(A) The location of its external walls;

(B) Its total cubic volume;

(C) Within its external walls, the area in square feet open or approved for public use and the area in square feet devoted to or approved for the private use of guests on May 4, 1979;

(D) The amount of surface area of land under the structure; and

(E) The base area as defined in paragraph (3) of subdivision (f) in square feet existing on or approved before August 4, 1980.

(2) An informational report whenever any internal modification, remodeling, change in use, or repair will increase the total portion of the areas open to public use which is used for gaming.

The Nevada agency shall transmit this information to the Tahoe Regional Planning Agency.

(h) Gaming conducted pursuant to a restricted gaming license is exempt from review by the agency if it is incidental to the primary use of the premises.

(i) The provisions of subdivisions (d) and (e) are intended only to limit gaming and related activities as conducted within a gaming establishment, or construction designed to permit the enlargement of such activities, and not to limit any other use of property zoned for commercial use or the accommodation of tourists, as approved by the agency.

(j) Legal actions arising out of or alleging a violation of the provisions of this compact, of the regional plan or of an ordinance or regulation of the agency or of a permit or a condition of a permit issued by the agency are governed by the following provisions:

(1) This subdivision applies to:

(A) Actions arising out of activities directly undertaken by the agency.

(B) Actions arising out of the issuance to a person of a lease, permit, license or other entitlement for use by the agency.

(C) Actions arising out of any other act or failure to act by any person or public agency.

Such legal actions may be filed and the provisions of this subdivision apply equally in the appropriate courts of California and Nevada and of the United States.

(2) Venue lies:

(A) If a civil or criminal action challenges an activity by the agency or any person which is undertaken or to be undertaken upon a parcel of real property, in the state or federal judicial district where the real property is situated.

(B) If an action challenges an activity which does not involve a specific parcel of land (such as an action challenging an ordinance of the agency), in any state or federal court having jurisdiction within the region.

(3) Any aggrieved person may file an action in an appropriate court of the State of California or Nevada or of the United States alleging noncompliance with the provisions of this compact or with an ordinance or regulation of the agency. In the case of governmental agencies, "aggrieved person" means the Tahoe Regional Planning Agency or any state, federal or local agency. In the case of any person other than a governmental agency who challenges an action of the Tahoe Regional Planning Agency, "aggrieved person" means any person who has appeared, either in person, through an authorized representative, or in writing, before the agency at an appropriate administrative hearing to register objection to the action which is being challenged, or who had good cause for not making such an appearance.

(4) A legal action arising out of the adoption or amendment of the regional plan or of any ordinance or regulation of the agency, or out of the granting or denial of any permit, shall be commenced within 60 days after final action by the agency. All other legal actions shall be commenced within 65 days after discovery of the cause of action.

(5) In any legal action filed pursuant to this subdivision which challenges an adjudicatory act or decision of the agency to approve or disapprove a project, the scope of judicial inquiry shall extend only to whether there was prejudicial abuse of discretion. Prejudicial abuse of discretion is established if the agency has not proceeded in a manner required by law or if the act or decision of the agency was not supported by substantial evidence in light of the whole record. In making such a determination the court shall not exercise its independent judgment on evidence but shall only determine whether the act or decision was supported by substantial evidence in light of the whole record. In any legal action filed pursuant to this subdivision which challenges a legislative act or decision of the agency (such as the adoption of the regional plan and the enactment of implementing ordinances), the scope of the judicial inquiry shall extend only to the questions of whether the act or decision has been arbitrary, capricious or lacking substantial evidentiary support or whether the agency has failed to proceed in a manner required by law.

(6) The provisions of this subdivision do not apply to any legal

proceeding pending on the date when this subdivision becomes effective. Any such legal proceeding shall be conducted and concluded under the provisions of law which were applicable prior to the effective date of this subdivision.

(7) The security required for the issuance of a temporary restraining order or preliminary injunction based upon an alleged violation of this compact or any ordinance, plan, rule or regulation adopted pursuant thereto is governed by the rule or statute applicable to the court in which the action is brought unless the action is brought by a public agency or political subdivision to enforce its own rules, regulations and ordinances in which case no security shall be required.

(k) The agency shall monitor activities in the region and may bring enforcement actions in the region to ensure compliance with the regional plan and adopted ordinances, rules, regulations and policies. If it is found that the regional plan, or ordinances, rules, regulations and policies are not being enforced by a local jurisdiction, the agency may bring action in a court of competent jurisdiction to ensure compliance.

(*l*) Any person who violates any provision of this compact or of any ordinance or regulation of the agency or of any condition of approval imposed by the agency is subject to a civil penalty not to exceed five thousand dollars ($5,000). Any such person is subject to an additional civil penalty not to exceed five thousand dollars ($5,000) per day, for each day on which such a violation persists. In imposing the penalties authorized by this subdivision, the court shall consider the nature of the violation and shall impose a greater penalty if it was willful or resulted from gross negligence than if it resulted from inadvertence or simple negligence

(m) The agency is hereby empowered to initiate, negotiate and participate in contracts and agreements among the local governmental authorities of the region, or any other intergovernmental contracts or agreements authorized by state or federal law

(n) Each intergovernmental contract or agreement shall provide for its own funding and staffing, but this shall not preclude financial contributions from the local authorities concerned or from supplementary sources.

(o) Every record of the agency, whether public or not, shall be open for examination to the Legislature and Controller of the State of California and the Legislative Auditor of the State of Nevada.

(p) Approval by the agency of any project expires 3 years after the date of final action by the agency or the effective date of the amendments to this compact, whichever is later, unless construction is begun within that time and diligently pursued thereafter, or the use or activity has commenced. In computing the 3-year period any period of time during which the project is the subject of a legal action which delays or renders impossible the diligent pursuit of that project shall not be counted. Any license, permit or certificate issued by the agency which has an expiration date shall be extended by that

period of time during which the project is the subject of such legal action as provided in this subdivision.

(q) The governing body shall maintain a current list of real property known to be available for exchange with the United States or with other owners of real property in order to facilitate exchanges of real property by owners of real property in the region.

ARTICLE VII. ENVIRONMENTAL IMPACT STATEMENTS

(a) The Tahoe Regional Planning Agency when acting upon matters that have a significant effect on the environment shall:

(1) Utilize a systematic, interdisciplinary approach which will insure the integrated use of the natural and social sciences and the environmental design arts in planning and in decisionmaking which may have an impact on man's environment;

(2) Prepare and consider a detailed environmental impact statement before deciding to approve or carry out any project. The detailed environmental impact statement shall include the following:

(A) The significant environmental impacts of the proposed project;

(B) Any significant adverse environmental effects which cannot be avoided should the project be implemented;

(C) Alternatives to the proposed project;

(D) Mitigation measures which must be implemented to assure meeting standards of the region;

(E) The relationship between local short-term uses of man's environment and the maintenance and enhancement of long-term productivity;

(F) Any significant irreversible and irretrievable commitments of resources which would be involved in the proposed project should it be implemented; and

(G) The growth-inducing impact of the proposed project;

(3) Study, develop and describe appropriate alternatives to recommended courses of action for any project which involves unresolved conflicts concerning alternative uses of available resources;

(4) Make available to states, counties, municipalities, institutions and individuals, advice and information useful in restoring, maintaining and enhancing the quality of the region's environment; and

(5) Initiate and utilize ecological information in the planning and development of resource-oriented projects.

(b) Prior to completing an environmental impact statement, the agency shall consult with and obtain the comments of any federal, state or local agency which has jurisdiction by law or special expertise with respect to any environmental impact involved. Copies of such statement and the comments and views of the appropriate federal, state and local agencies which are authorized to develop and enforce environmental standards shall be made available to the public and shall accompany the project through the review processes. The public shall be consulted during the environmental impact statement

process and views shall be solicited during a public comment period not to be less than 60 days.

(c) Any environmental impact statement required pursuant to this article need not repeat in its entirety any information or data which is relevant to such a statement and is a matter of public record or is generally available to the public, such as information contained in an environmental impact report prepared pursuant to the California Environmental Quality Act or a federal environmental impact statement prepared pursuant to the National Environmental Policy Act of 1969. However, such information or data shall be briefly described in the environmental impact statement and its relationship to the environmental impact statement shall be indicated.

In addition, any person may submit information relative to a proposed project which may be included, in whole or in part, in any environmental impact statement required by this article.

(d) In addition to the written findings specified by agency ordinance to implement the regional plan, the agency shall make either of the following written findings before approving a project for which an environmental impact statement was prepared:

(1) Changes or alterations have been required in or incorporated into such project which avoid or reduce the significant adverse environmental effects to a less than significant level; or

(2) Specific considerations, such as economic, social or technical, make infeasible the mitigation measures or project alternatives discussed in the environmental impact statement on the project.

A separate written finding shall be made for each significant effect identified in the environmental impact statement on the project. All written findings must be supported by substantial evidence in the record.

(e) The agency may charge and collect a reasonable fee from any person proposing a project subject to the provisions of this compact in order to recover the estimated costs incurred by the agency in preparing an environmental impact statement under this article.

(f) The agency shall adopt by ordinance a list of classes of projects which the agency has determined will not have a significant effect on the environment and therefore will be exempt from the requirement for the preparation of an environmental impact statement under this article. Prior to adopting the list, the agency shall make a written finding supported by substantial evidence in the record that each class of projects will not have a significant effect on the environment.

ARTICLE VIII. FINANCES

(a) On or before September 30 of each calendar year the agency shall establish the amount of money necessary to support its activities for the next succeeding fiscal year commencing July 1 of the following year. The agency shall apportion seventy-five thousand dollars ($75,000) of this amount among the counties within the region on the

same ratio to the total sum required as the full cash valuation of taxable property within the region in each county bears to the total full cash valuation of taxable property within the region. In addition, each county within the region in California shall pay eighteen thousand seven hundred fifty dollars ($18,750) to the agency and each county within the region in Nevada, including Carson City, shall pay twelve thousand five hundred dollars ($12,500) to the agency, from any funds available therefor. The State of California and the State of Nevada may pay to the agency by July 1, of each year any additional sums necessary to support the operations of the agency pursuant to this compact. If additional funds are required, the agency shall make a request for the funds to the States of California and Nevada. Requests for state funds must be apportioned two-thirds from California and one-third from Nevada. Money appropriated shall be paid within 30 days.

(b) The agency may fix and collect reasonable fees for any services rendered by it.

(c) The agency shall submit an itemized budget to the states for review with any request for state funds, shall be strictly accountable to any county in the region and the states for all funds paid by them to the agency and shall be strictly accountable to all participating bodies for all receipts and disbursement.

(d) The agency is authorized to receive gifts, donations, subventions, grants, and other financial aids and funds; but the agency may not own land except as provided in subdivision (i) of Article III.

(e) The agency shall not obligate itself beyond the moneys due under this article for its support from the several counties and the states for the current fiscal year, plus any moneys on hand or irrevocably pledged to its support from other sources. No obligation contracted by the agency shall bind either of the party states or any political subdivision thereof.

ARTICLE IX. TRANSPORTATION DISTRICT

(a) The Tahoe transportation district is hereby established as a special purpose district. The boundaries of the district are coterminous with those of the region.

(b) The business of the district shall be managed by a board of directors consisting of:

(1) One member of the county board of supervisors of each of the counties of El Dorado and Placer;

(2) One member of the city council of the City of South Lake Tahoe;

(3) One member each of the board of county commissioners of Douglas County and of Washoe County;

(4) One member of the board of supervisors of Carson City;

(5) The director of the California Department of Transportation; and

(6) The director of the department of transportation of the State

of Nevada.

Any director may designate an alternate.

(c) The vote of at least five of the directors must agree to take action. If at least five votes in favor of an action are not cast, an action of rejections shall be deemed to have been taken.

(d) The Tahoe transportation district may by resolution establish procedures for the adoption of its budgets, the appropriation of its money and the carrying on of its other financial activities. These procedures must conform insofar as is practicable to the procedures for financial administration of the State of California or the State of Nevada or one or more of the local governments in the region.

(e) The Tahoe transportation district may in accordance with the adopted transportation plan:

(1) Own and operate a public transportation system to the exclusion of all other publicly owned transportation systems in the region.

(2) Acquire upon mutually agreeable terms any public transportation system or facility owned by a county, city or special purpose district or any privately owned transportation system or facility within the region.

(3) Hire the employees of existing public transportation systems that are acquired by the district without loss of benefits to the employees, bargain collectively with employee organizations, and extend pension and other collateral benefits to employees.

(4) Contract with private companies to provide supplementary transportation or provide any of the services needed in operating a system of transportation for the region.

(5) Fix the rates and charges for transit services provided pursuant to this subdivision.

(6) Issue revenue bonds and other evidence of indebtedness and make other financial arrangements appropriate for developing and operating a public transportation system.

(7) By resolution, determine and propose for adoption a tax for the purpose of obtaining services of the district. The tax proposed must be general and of uniform operation throughout the region, and may not be graduated in any way, except for a sales and use tax which, if approved by the voters, may be administered through the States of California and Nevada respectively in accordance with the laws that apply within their respective jurisdictions. The district is prohibited from imposing any other tax measured by gross or net receipts on business, an ad valorem tax, a tax or charge that is assessed against people or vehicles as they enter or leave the region, and any tax, direct or indirect, on gaming tables and devices. Any such proposition must be submitted to the voters of the district and shall become effective upon approval of a majority of the voters voting on the proposition. The revenues from any such tax must be used for the services for which it was imposed, and for no other purpose.

(8) Provide service from inside the region to convenient airport, railroad and interstate bus terminals without regard to the boundaries of the region.

(f) The Legislatures of the States of California and Nevada may, by substantively identical enactments, amend this article.

ARTICLE X. MISCELLANEOUS

(a) It is intended that the provisions of this compact shall be reasonably and liberally construed to effectuate the purposes thereof. Except as provided in subdivision (c), the provisions of this compact shall be severable and if any phrase, clause, sentence or provision of this compact is declared to be contrary to the constitution of any participating state or of the United States or the applicability thereof to any government, agency, person or circumstance is held invalid, the validity of the remainder of this compact and the applicability thereof to any government, agency, person or circumstance shall not be affected thereby. If this compact shall be held contrary to the constitution of any state participating therein, the compact shall remain in full force and effect as to the remaining state and in full force and effect as to the state affected as to all severable matters.

(b) The agency shall have such additional powers and duties as may hereafter be delegated or imposed upon it from time to time by the action of the Legislature of either state concurred in by the Legislature of the other.

(c) A state party to this compact may withdraw therefrom by enacting a statute repealing the compact. Notice of withdrawal shall be communicated officially and in writing to the Governor of the other state and to the agency administrators. This provision is not severable, and if it is held to be unconstitutional or invalid, no other provision of this compact shall be binding upon the State of Nevada or the State of California.

(d) No provision of this compact shall have any effect upon the allocation, distribution or storage of interstate waters or upon any appropriative water right.

CHAPTER 168

An act to add Section 5005.01 to the Public Resources Code, relating to parks and recreation, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 18, 1986 Filed with Secretary of State June 18, 1986]

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

SECTION 1. Section 5005.01 is added to the Public Resources Code, to read:

5005.01. (a) The Department of Parks and Recreation shall, after

consultation with appropriate Native American groups, receive and accept a donation of Indian artifacts found in the vicinity of the Los Encinos State Historic Park. The donation shall consist of a representative sample of artifacts determined by the department to be of historic or cultural interest to the residents of the San Fernando Valley.

(b) The department shall, after consultation with appropriate Native American groups, house and display the donated artifacts at the Los Encinos State Historic Park.

(c) Artifacts not received and accepted pursuant to subdivision (a) may be donated to colleges, universities, museums, appropriate Native American groups, or nonprofit organizations in California.

SEC. 2. The sum of one hundred ninty-five thousand dollars ($195,000) is hereby appropriated from the General Fund to the Department of Parks and Recreation for Los Encinos State Historic Park, allocated as follows:

(a) One hundred seventy-five thousand dollars ($175,000) for restoration of the "Garnier House."

(b) Twenty thousand dollars ($20,000) to provide parking.

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

In order that valuable Indian artifacts may be received by the state at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 169

An act to amend Section 40154 of the Health and Safety Code, relating to air pollution.

[Approved by Governor June 18, 1986. Filed with Secretary of State June 18, 1986]

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

SECTION 1. Section 40154 of the Health and Safety Code is amended to read:

40154. Each member of the unified district board shall, upon the adoption of a resolution by the unified district board, receive the actual and necessary expenses incurred in the performance of his or her duties, plus a compensation of one hundred dollars ($100) for each day attending the meetings of the unified district board or any committee of the unified district board or, upon authorization by the unified district board, while engaged in official business of the unified district, but that compensation shall not exceed three thousand six hundred dollars ($3,600) in any one year.

CHAPTER 170

An act to make an appropriation in augmentation of Items 6100-101-001, 9840-001-001, 9840-001-494, and 9840-001-988 of the Budget Act of 1985, and of the State School Fund, and for transfer to the Emergency Telephone Number Account in the General Fund, relating to contingencies or emergencies, to take effect immediately, usual current expenses.

[Approved by Governor June 19, 1986. Filed with Secretary of State June 19, 1986.]

I am reducing and deleting the following appropriations contained in Assembly Bill No 3293

Department of Forestry —$1,000,000

This reduction is based on revised estimates of funding requirements

Department of Aging —$ 833,000

This bill also contains $1 2 million for Aging Nutrition programs I am eliminating $833,000 which is provided for support services

Department of Education —$2,968,050

I am reducing the $4,351,000 augmentation the Legislature made for K-12 district revenue limits to $2,176,000 I believe this amount, along with the $55,836,000 loan made to school districts will fund the statutory requirements of this program If it is later determined that more funding is required, I will support legislation to provide the additional amount.

I am deleting the $793,050 added by the Legislature to provide additional incentive funds for year-round school programs My 1986–87 Budget includes sufficient funds to accommodate this and other certified claims.

With these reductions and deletions, I approve Assembly Bill No. 3293

George Deukmejian, Governor

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

SECTION 1. (a) The sum of three hundred sixty million eight hundred twenty-one thousand four hundred twenty-nine dollars ($360,821,429) is hereby appropriated for expenditure in the 1985–86 fiscal year in accordance with the following schedule:

(1) Three hundred sixty million fifty-seven thousand four hundred twenty-nine dollars ($360,057,429) in augmentation of, and for the purposes of, contingencies or emergencies, as provided in Items 9840-001-001, 9840-001-494, and 9840-001-988 of the Budget Act of 1985, to be allocated as follows:

(A) Three hundred twenty-nine million four hundred thirty-one thousand four hundred twenty-nine dollars ($329,431,429) from the General Fund to the Reserve for Contingencies or Emergencies in Item 9840-001-001. Out of the funds allocated pursuant to this subparagraph, one million seven hundred seventy-eight thousand dollars ($1,778,000) shall be provided to the Department of Fish and Game to cover costs of complying with the federal Fair Labor

Standards Act. The Department of Fish and Game shall repay to the General Fund from the Fish and Game Preservation Fund one million four hundred fifty-five thousand dollars ($1,455,000) of this amount, plus interest calculated at the rate received by funds in the Pooled Money Investment Account.

(B) Twenty-six million eighty-six thousand dollars ($26,086,000) from unallocated special funds to the Reserve for Contingencies or Emergencies in Item 9840-001-494.

(C) Four million five hundred forty thousand dollars ($4,540,000) from unallocated nongovernmental cost funds to the Reserve for Contingencies or Emergencies in Item 9840-001-988.

(2) Seven hundred sixty-four thousand dollars ($764,000) from the General Fund for transfer by the State Controller to the Emergency Telephone Number Account in the General Fund on June 30, 1986. For yearend reporting purposes, this transfer shall be treated as a 1985–86 fiscal year transaction.

(b) The Director of Finance may withhold authorization for expenditure of funds provided in this section until such time as, and to the extent that, preliminary estimates of potential deficiencies are verified.

SEC. 2. (a) Prior to certification of the second principal apportionment for the 1985–86 fiscal year, the Superintendent of Public Instruction shall.

(1) Determine the total local revenues for the 1985–86 fiscal year calculated pursuant to subdivision (h) of Section 42238 of the Education Code, as reported for the second principal apportionment.

(2) Compute the difference between the amount determined in paragraph (1) and the comparable amount estimated by the Department of Finance.

(3) Determine the lesser of the estimated deficiency for the 1985–86 fiscal year for K–12 district revenue limits, as reported at the second principal apportionment, or the amount computed in paragraph (2).

(b) Notwithstanding any other provision of law, the amount determined in paragraph (3) of subdivision (a) shall, upon approval of the Director of Finance, be appropriated from the General Fund to the Superintendent of Public Instruction for transfer to Section A of the State School Fund. This amount shall be available for the purpose of funding K–12 district revenue limit apportionments as certified at the second principal apportionment.

(c) On or before December 15, 1986, the Superintendent of Public Instruction shall report to the Director of Finance the actual annual local revenues received by school districts for the 1985–86 fiscal year.

(d) At the first principal apportionment of the 1986–87 fiscal year, the Superintendent of Public Instruction shall report to the Director of Finance and the State Controller the amount, if any, by which the actual annual local revenues received by school districts reported at the 1985–86 annual apportionment exceed the level of local revenues

received by school districts reported at the 1985–86 second principal apportionment. The State Controller shall transfer this amount from the funds appropriated in Item 6100-101-001 of the Budget Act of 1986 to the unappropriated balance of the General Fund.

SEC. 3. Notwithstanding provision 5 of Item 6100-101-001 of the Budget Act of 1985 or any other provision of law, the State Controller shall transfer three million five hundred thousand dollars ($3,500,000) of the funds appropriated for regional occupational centers and programs by provision 5 of Item 6100-102-001 of the Budget Act of 1985 to Item 6100-101-001 of the Budget Act of 1985. This amount shall be available to fund any deficiency in K–12 district revenue limit apportionments in the 1985–86 fiscal year. The $500,000 augmentation made to Item 6100-102-001 of the Budget Act of 1985 by Section 15.5 of Chapter 1025 of the Statutes of 1985 shall not be included in the funds transferred pursuant to this section.

SEC. 4. This act makes an appropriation for the usual current expenses of the state within the meaning of Article IV of the Constitution and shall go into immediate effect.

CHAPTER 171

An act to amend Sections 44256 and 44264 of the Education Code, relating to education.

[Approved by Governor June 21, 1986. Filed with Secretary of State June 23, 1986.]

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

SECTION 1. Section 44256 of the Education Code is amended to read:

44256. Authorization for teaching credentials shall be of four basic kinds, as defined below:

(a) "Single subject instruction" means the practice of assignment of teachers and students to specified subject matter courses, as is commonly practiced in California high schools and most California junior high schools. The holder of a single subject teaching credential or a standard secondary credential or a special secondary teaching credential, as defined in this subdivision, who has completed 20 semester hours of coursework or 10 semester hours of upper division or graduate coursework approved by the commission at an accredited institution in any subject commonly taught in grades 7 to 12, other than the subject for which he or she is already certificated to teach, shall be eligible to have this subject appear on the credential as an authorization to teach this subject. The commission, by regulation, may require that evidence of additional competence is a condition for instruction in particular subjects, including, but not limited to, foreign languages. The commission may establish and

implement alternative requirements for additional authorizations to the single subject credential on the basis of specialized needs. For purposes of this subdivision, a special secondary teaching credential means a special secondary teaching credential issued on the basis of at least a baccalaureate degree, a student teaching requirement, and 24 semester units of coursework in the subject specialty of the credential.

(b) "Multiple subject instruction" means the practice of assignment of teachers and students for multiple subject matter instruction, as is commonly practiced in California elementary schools and as is commonly practiced in early childhood education.

The holder of a multiple subject teaching credential or a standard elementary credential who has completed 20 semester hours of coursework or 10 semester hours of upper division or graduate coursework approved by the commission at an accredited institution in any subject commonly taught in grades 6, 7, 8, and 9 shall be eligible to have that subject appear on the credential as authorization to teach the subject in departmentalized classes in grades 6, 7, 8, and 9. The holder of a multiple subject teaching credential or a standard elementary credential shall be authorized to teach any subject in departmentalized classes to a given class or group of students below grade 9, provided that the teacher has completed at least eight semester units, or four upper division or graduate units, of coursework at an accredited institution in each subject to be taught. The authorization shall be with the teacher's consent and shall be restricted to a partial assignment. However, the commission, by regulation, may provide that evidence of additional competence is necessary for instruction in particular subjects, including, but not limited to, foreign languages. The commission may establish and implement alternative requirements for additional authorizations to the multiple subject credential on the basis of specialized needs.

(c) "Specialist instruction" means any specialty requiring advanced preparation or special competence including, but not limited to, reading specialist, mathematics specialist, specialist in special education, or early childhood education, and such other specialties as the commission may determine.

(d) "Designated subjects" means the practice of assignment of teachers and students to designated technical, trade, or vocational courses which courses may be part of a program of trade, technical, or vocational education.

SEC. 2. Section 44264 of the Education Code is amended to read:

44264. Notwithstanding any other provision of law, a person holding a credential issued under the laws and regulations in effect on or before December 31, 1971, authorizing teaching in grades 7 to 12, inclusive, or grades 7 to 9, inclusive, in the secondary schools may be assigned, with his or her consent, to teach any subject authorized on his or her credential in grades 5 and 6 or grade 5 or grade 6 in a departmentalized program in a school composed of grades 5, 6, 7, and 8 or grades 6, 7, and 8.

Notwithstanding any other provision of law, a person holding a credential issued under the laws and regulations in effect on or before December 31, 1971, authorizing administration in grades 7 to 12, inclusive, in the secondary schools may be assigned, with his or her consent, to provide administration for grades 5 and 6 or grade 6, in a school composed of grades 5, 6, 7, and 8 or grades 6, 7, and 8.

CHAPTER 172

An act to amend and repeal Section 48204 of, and to add and repeal Section 46601.5 of, the Education Code, relating to schools.

[Approved by Governor June 21, 1986 Filed with Secretary of State June 23, 1986]

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

SECTION 1. Section 46601.5 is added to the Education Code, to read:

46601.5. (a) The governing boards of any two school districts that have been requested by a pupil's parent or legal guardian, to enter into an agreement for interdistrict attendance pursuant to Section 46600, shall, in considering that request, give consideration to the child care needs of the pupil.

(b) This section shall remain in effect only until June 30, 1990, and as of that date is repealed, unless a later enacted statute, which is enacted before June 30, 1990, deletes or extends that date.

SEC. 2. Section 48204 of the Education Code is amended to read:

48204. Notwithstanding Section 48200, a pupil shall be deemed to have complied with the residency requirements for school attendance in a school district, provided he or she is any of the following:

(a) A pupil placed within the boundaries of that school district in a regularly established licensed children's institution, or a licensed foster home, or a family home pursuant to a commitment or placement under Chapter 2 (commencing with Section 200) of Part 1 of Division 2 of the Welfare and Institutions Code.

An agency placing a pupil in such a home or institution shall provide evidence to the school that the placement or commitment is pursuant to law.

(b) A pupil for whom interdistrict attendance has been approved pursuant to Chapter 5 (commencing with Section 46600) of Part 26 of Division 3 of this title.

(c) A pupil whose residence is located within the boundaries of that school district and whose parent or legal guardian is relieved of responsibility, control, and authority through emancipation.

(d) A pupil whose parent or legal guardian has established the residence of the pupil in a home located within the boundaries of

that school district, provided such home is properly licensed as required by law. The person maintaining such a home shall provide evidence to the school that a current license is in effect or that a license is not required under the law.

(e) A pupil residing in a state hospital located within the boundaries of that school district.

(f) An elementary school pupil, one or both of whose parents, or whose legal guardian, is employed within the boundaries of that school district.

(1) Nothing in this subdivision requires the school district within which the pupil's parents or guardians are employed to admit the pupil to its schools. Districts may not, however, refuse to admit pupils under this subdivision on the basis, except as expressly provided in this subdivision, of race, ethnicity, sex, parental income, scholastic achievement, or any other arbitrary consideration.

(2) The school district in which the residency of either the pupil's parents or guardians is established, or the school district to which the pupil is to be transferred under this subdivision, may prohibit the transfer of the pupil under this subdivision if the governing board of the district determines that the transfer would negatively impact the district's court-ordered or voluntary desegregation plan.

(3) The school district to which the pupil is to be transferred under this subdivision may prohibit the transfer of the pupil if the district determines that the additional cost of educating the pupil would exceed the amount of additional state aid received as a result of the transfer.

(4) Any district governing board prohibiting a transfer pursuant to paragraph (1), (2), or (3) shall identify, and communicate in writing to the pupil's parent or guardian, the specific reasons for that determination and shall ensure that the determination, and the specific reasons therefor, are accurately recorded in the minutes of the board meeting in which the determination was made.

(5) The average daily attendance for pupils admitted pursuant to this subdivision shall be calculated pursuant to Section 46616.

(6) Unless approved by the sending district, this subdivision does not authorize a transfer of pupils out of any given district in any fiscal year in excess of the following amounts:

(A) For any district with an average daily attendance for that fiscal year of less than 501, 5 percent of the average daily attendance of the district.

(B) For any district with an average daily attendance for that fiscal year of 501 or more, but less than 2501, 3 percent of the average daily attendance of the district or 25 pupils, whichever is greater.

(C) For any district with an average daily attendance of 2501 or more, 1 percent of the average daily attendance of the district or 75 pupils, whichever is greater.

(7) Pursuant to this subdivision, districts shall report annually to the Superintendent of Public Instruction all of the following:

(A) The number of requests for interdistrict transfers.

(B) The number of students transferred out of the district.

(C) The number of students transferred into the district.

The State Department of Education shall summarize the school district reports and report to the Legislature annually.

(g) This section shall remain in effect only until June 30, 1990, and as of that date is repealed, unless a later enacted statute, which is enacted before June 30, 1990, deletes or extends that date. If that date is not deleted or extended, then, on and after July 1, 1990, pursuant to Section 9611 of the Government Code, Section 48204 of the Education Code, as amended by Section 3 of Chapter 1191 of the Statutes of 1980, shall have the same force and effect as if this temporary provision had not been enacted.

SEC. 3. Reimbursement to local agencies and school districts for costs mandated by the state pursuant to this act shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code and, if the statewide cost of the claim for reimbursement does not exceed five hundred thousand dollars ($500,000), shall be made from the State Mandates Claims Fund.

CHAPTER 173

An act to amend Sections 779 and 7460 of, and to add Section 15102 to, the Financial Code, relating to loans.

[Approved by Governor June 21, 1986. Filed with Secretary of State June 23, 1986]

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

SECTION 1. Section 779 of the Financial Code is amended to read:

779. (a) Notwithstanding Section 726 of the Code of Civil Procedure or any other provision of law to the contrary, a state or nationally chartered bank, its subsidiaries or affiliates transacting business in this state, or any successor in interest thereto, that originates, acquires, or purchases, in whole or in part, any loan secured directly or collaterally, in whole or in part, by a mortgage or deed of trust on real property, or any interest therein, may bring an action for recovery of damages, including exemplary damages not to exceed 50 percent of the actual damages, against a borrower where the action is based on fraud under Section 1572 of the Civil Code and the fraudulent conduct by the borrower induced the original lender to make that loan.

(b) The provisions of this section shall not apply to loans secured by single-family, owner-occupied residential real property, when the property is actually occupied by the borrower as represented to the lender in order to obtain the loan and the loan is for an amount of

one hundred fifty thousand dollars ($150,000) or less, as adjusted annually, commencing on January 1, 1987, to the Consumer Price Index as published by the United States Department of Labor.

(c) Any action maintained under this section for damages shall not constitute a money judgment for deficiency or a deficiency judgment within the meaning of Section 580a, 580b, or 580d of the Code of Civil Procedure.

SEC. 2. Section 7460 of the Financial Code is amended to read:

7460. (a) Notwithstanding Section 726 of the Code of Civil Procedure or any other provision of law to the contrary, an association, a federal association, an affiliate of an association or federal association, a service corporation, or any successor in interest thereto, that originates, acquires, or purchases, in whole or in part, any loan secured directly or collaterally, in whole or in part, by a mortgage or deed of trust on real property, or any interest therein, may bring an action for recovery of damages, including exemplary damages not to exceed 50 percent of the actual damages, against a borrower where the action is based on fraud under Section 1572 of the Civil Code and the fraudulent conduct by the borrower induced the original lender to make that loan.

(b) The provisions of this section shall not apply to loans secured by single-family, owner-occupied residential real property, when the property is actually occupied by the borrower as represented to the lender in order to obtain the loan and the loan is for an amount of one hundred fifty thousand dollars ($150,000) or less, as adjusted annually, commencing on January 1, 1987, to the Consumer Price Index as published by the United States Department of Labor.

(c) Any action maintained under this section for damages shall not constitute a money judgment for deficiency or a deficiency judgment within the meaning of Section 580a, 580b, or 580d of the Code of Civil Procedure.

SEC. 3. Section 15102 is added to the Financial Code, to read:

15102. (a) Notwithstanding Section 726 of the Code of Civil Procedure or any other provision of law to the contrary, a credit union, an affiliate of a credit union, a credit union service organization, or any successor in interest thereto, that originates, acquires, or purchases, in whole or in part, any loan secured directly or collaterally, in whole or in part, by a mortgage or deed of trust on real property, or any interest therein, may bring an action for recovery of damages, including exemplary damages not to exceed 50 percent of the actual damages, against a borrower where the action is based on fraud under Section 1572 of the Civil Code and the fraudulent conduct by the borrower induced the original lender to make that loan.

(b) The provisions of this section shall not apply to loans secured by single-family, owner-occupied residential real property, when the property is actually occupied by the borrower as represented to the lender in order to obtain the loan and the loan is for an amount of one hundred fifty thousand dollars ($150,000) or less, as adjusted

annually, commencing on January 1, 1987, to the Consumer Price Index as published by the United States Department of Labor.

(c) Any action maintained under this section for damages shall not constitute a money judgment for deficiency or a deficiency judgment within the meaning of Section 580a, 580b, or 580d of the Code of Civil Procedure.

CHAPTER 174

An act to amend Section 798.70 of the Civil Code, relating to mobilehomes.

[Approved by Governor June 21, 1986 Filed with Secretary of State June 23, 1986]

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

SECTION 1. Section 798.70 of the Civil Code is amended to read:

798.70. A homeowner or his or her agent may advertise the sale or exchange of his or her mobilehome, or, if not prohibited by the terms of an agreement with the management, may advertise the rental of his or her mobilehome, by displaying a sign in the window of the mobilehome, or by a sign posted on the side of the mobilehome facing the street, stating that the mobilehome is for sale or exchange or, if not prohibited, for rent by the owner of the mobilehome or his or her agent. The sign shall state the name, address, and telephone number of the owner of the mobilehome or his or her agent and shall not exceed 24 inches in width and 18 inches in height.

CHAPTER 175

An act to amend Section 480.3 of the Revenue and Taxation Code, relating to taxation.

[Approved by Governor June 21, 1986 Filed with Secretary of State June 23, 1986]

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

SECTION 1. Section 480.3 of the Revenue and Taxation Code is amended to read:

480.3. (a) Each county assessor and recorder shall make available, without charge and upon request, a form entitled "Preliminary Change of Ownership Report," which transferees of real property may complete and file with the recorder concurrent with the recordation of any document effecting a change of ownership.

(b) If a document evidencing a change of ownership is presented to the recorder for recordation without the concurrent filing of a preliminary change of ownership report, the recorder may charge an additional recording fee of twenty dollars ($20). The additional fee shall not be charged if the document is accompanied by an affidavit that the transferee is not a resident of California.

(c) Noncompliance with this section by the transferee shall not delay or preclude the recordation of documents if the additional fee specified in subdivision (b) is tendered.

(d) The authority to obtain information pursuant to this section is in addition to, and not in lieu of, any existing authority the assessor has under this article.

(e) Except as prescribed in subdivision (f), this section shall apply to changes of ownership occurring on or after July 1, 1985.

(f) The filing of a preliminary change of ownership report or the payment of an additional recording fee shall not be required of any intermediate transferee of property. For purposes of this subdivision, "intermediate transferee" means any transferee who is acting as both a transferee and the transferor of the same property as part of a series of simultaneous transfers which affect that property and who records the transfer documents and any other recorded documents related to the transfer in consecutive order at one time.

(g) This section shall remain in effect only until January 1, 1991, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1991, deletes or extends that date.

CHAPTER 176

An act to amend Section 3289 of the Civil Code, relating to damages, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 21, 1986 Filed with Secretary of State June 23, 1986]

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

SECTION 1. Section 3289 of the Civil Code is amended to read:

3289. (a) Any legal rate of interest stipulated by a contract remains chargeable after a breach thereof, as before, until the contract is superseded by a verdict or other new obligation.

(b) If a contract entered into after January 1, 1986, does not stipulate a legal rate of interest, the obligation shall bear interest at a rate of 10 percent per annum after a breach.

For the purposes of this subdivision, the term contract shall not include a note secured by a deed of trust on real property.

SEC. 2. This act is declaratory of existing law.

SEC. 3. This act is an urgency statute necessary for the

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

Chapter 633 of the Statutes of 1985 introduced an inadvertent ambiguity in Section 3289 of the Civil Code. In order to preserve the ready commercial availability of credit it is necessary that this act take effect immediately.

CHAPTER 177

An act to amend Section 1001.15 of the Penal Code, relating to crime.

[Approved by Governor June 21, 1986 Filed with Secretary of State June 23, 1986.]

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

SECTION 1. Section 1001.15 of the Penal Code is amended to read:

1001.15. (a) In addition to the fees authorized or required by other provisions of law, a judge may require the payment of an administrative fee, as part of an enrollment fee in a diversion program, by a defendant accused of a felony to cover the cost of any criminal laboratory analysis and the cost of processing a request or application for diversion pursuant to Chapter 2.5 (commencing with Section 1000), not to exceed one hundred fifty dollars ($150). The fee shall be payable at the time of enrollment in the diversion program. The court shall take into consideration the defendant's ability to pay, and no defendant shall be denied diversion because of his or her inability to pay.

In counties served by criminalistics laboratories of the Department of Justice, amounts deposited in the criminalistics laboratories fund, after deduction of appropriate and reasonable county overhead charges attributable to the collection thereof, shall be paid by the county treasurer once a month to the Controller for deposit into the General Fund, and shall be excepted from the expenditure requirements otherwise prescribed by this subdivision.

(b) In addition to the fees authorized or required by other provisions of law, a judge may require the payment of an administrative fee, as part of an enrollment fee in a diversion program, by a defendant accused of a felony to cover the cost of processing a request or application for diversion pursuant to Chapter 2.6 (commencing with Section 1000.6), not to exceed one hundred dollars ($100). The fee shall be payable at the time of enrollment in the diversion program. The court shall take into consideration the defendant's ability to pay, and no defendant shall be denied diversion because of his or her inability to pay.

CHAPTER 178

An act to add Section 25259.5 to the Vehicle Code, relating to emergency vehicle lighting.

[Approved by Governor June 21, 1986 Filed with Secretary of State June 23, 1986]

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

SECTION 1. Section 25259.5 is added to the Vehicle Code, to read:

25259.5. Only an emergency response or disaster service vehicle owned or leased and operated by the American National Red Cross, or any chapter or branch thereof, and equipped and clearly marked as a Red Cross emergency service or disaster service vehicle, may display flashing amber warning lights to the front, sides, or rear of the vehicle while at the scene of an emergency or disaster operation. Vehicles not used on emergency response shall not be included.

CHAPTER 179

An act to amend Section 5604 of the Welfare and Institutions Code, relating to mental health.

[Approved by Governor June 21, 1986 Filed with Secretary of State June 23, 1986]

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

SECTION 1. Section 5604 of the Welfare and Institutions Code is amended to read:

5604. (a) Each community mental health service shall have an advisory board of 17 members appointed by the governing body except that the boards in counties with a population of less than 100,000 may have a minimum of 11 members. One member of the advisory board shall be a member of the local governing body. Not less than 51 percent of the members of the advisory board shall be persons representative of the public interest in mental health. However not less than one-half of the members representing the public interest shall be persons or the parents, spouse, sibling, or adult children of persons, who have received mental health services from a city or county Short-Doyle program or any of its contract agencies, a state hospital, or any public or private nonprofit mental health agency. At least one member shall be a person who has received or is receiving these mental health services. The advisory board shall contain two physicians, one of whom shall specialize in psychiatry. Not more than two nonpaid members of the governing

body of a private or public Short-Doyle contracting agency may be appointed to the advisory board. The remaining members shall be selected from among the following mental health professions: psychology, social work, nursing, marriage and family counseling, psychiatric technology, and hospital or community mental health facility administration. No more than one appointee from each of these professions shall be selected. Persons in the professions of education, law, criminal justice, and fiscal management may be considered as representatives of the general public. For members representing the public interest, the governing body shall appoint persons representing different disciplines.

(b) The term of each member of the board shall be for three years. However, of the members first appointed to a board with 17 members, six shall be appointed for one year, six for a term of two years, and five for a term of three years. For members appointed to boards of less than 17 members, the governing body shall equitably stagger the appointments so that approximately one-third of the appointments shall be for one year, one-third for two years, and one-third for three years. If, however, prior to the expiration of the term a member ceases to retain the status which qualified the person for appointment on the board, the membership on the board shall terminate and there shall be a vacancy on the board.

(c) If two or more local agencies jointly establish a community mental health service under Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code, the advisory board for the community mental health service shall consist of an additional two members for each additional agency, one of whom shall be a member of the governing body or a person who does not qualify as a professional member under this section designated by the governing body and the second of whom shall be a person or a parent, spouse, sibling, or adult child of a person who has received mental health services.

(d) No member of the advisory board or his or her spouse shall be a full-time or part-time county employee of a county mental health service, an employee of the State Department of Mental Health, or an employee of, or a paid member of the governing body of, a Short-Doyle contract agency. Members of the advisory board shall abstain from voting on any issue in which the member has a financial interest, as defined in Section 87103 of the Government Code.

(e) If it is not possible to secure membership as specified from among persons who reside in the county, the governing body may substitute representatives of the public interest in mental health who are not full-time or part-time employees of the county mental health service, the State Department of Mental Health, or on the staff of, or a paid member of the governing body of, a Short-Doyle contract agency. Members of the advisory board shall abstain from voting on any issue in which the member has a financial interest, as defined in Section 87103 of the Government Code.

(f) The composition of the mental health advisory board shall

reflect the minority population found in the county. A statement shall be included in the mental health plan or contract as to the ways equitable representation will be achieved and a timetable for achieving equitable representation.

This section shall remain in effect only until January 1, 1990, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1990, deletes or extends that date. If that date is not deleted or extended, then, on and after January 1, 1990, pursuant to Section 9611 of the Government Code, Section 5604 of the Welfare and Institutions Code as amended by Section 1 of Chapter 1295 of the Statutes of 1985 shall have the same force and effect as if this temporary provision had not been enacted.

CHAPTER 180

An act to amend Sections 24100.1 and 24101.4 of, and to add Section 24101.5 to, the Health and Safety Code, relating to public swimming pools.

[Approved by Governor June 21, 1986 Filed with Secretary of State June 23, 1986.]

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

SECTION 1. Section 24100.1 of the Health and Safety Code is amended to read:

24100.1. "Lifeguard service," as used in this article, means the attendance at a public swimming pool during periods of use, of one or more lifeguards who possess, as minimal qualifications, current Red Cross advanced lifesaving certificates or Y.M.C.A. senior lifesaving certificates, or have equivalent qualifications and who are trained to administer first aid, including, but not limited to, cardiopulmonary resuscitation in conformance with Section 217 and the regulations promulgated thereunder, and who have no duties to perform other than to supervise the safety of participants in water-contact activities. "Lifeguard services" includes the supervision of the safety of participants in water-contact activities by lifeguards who are providing swimming lessons, coaching or overseeing water-contact sports, or providing water safety instructions to participants when no other persons are using the facilities unless those persons are supervised by separate lifeguard services.

SEC. 2. Section 24101.4 of the Health and Safety Code is amended to read:

24101.4. (a) Lifeguard service shall be provided for any public swimming pool which is of wholly artificial construction and for the use of which a direct fee is charged. For all other public swimming pools, lifeguard service shall be provided or signs shall be erected

clearly indicating that such service is not provided.

(b) "Direct fee," as used in this section, means a separately stated fee or charge for the use of a public swimming pool to the exclusion of any other service, facility, or amenity.

SEC. 3. Section 24101.5 is added to the Health and Safety Code, to read:

24101.5. (a) On or after January 1, 1987, for public swimming pools in any common interest development, as defined in Section 1351 of the Civil Code, which consists of fewer than 25 separate interests, as defined in subdivision (*l*) of Section 1351 of the Civil Code, the person operating each such pool open for use shall be required to keep a record of the information required by subdivision (a) of Section 65523 of Title 22 of the California Administrative Code, except that the information shall be recorded at least two times per week and at intervals no greater than four days apart.

(b) On or after January 1, 1987, any rule or regulation of the state department which is in conflict with subdivision (a) is invalid.

CHAPTER 181

An act to add Section 22651.7 to the Vehicle Code, relating to vehicles, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 21, 1986. Filed with Secretary of State June 23, 1986]

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

SECTION 1. Section 22651.7 is added to the Vehicle Code, to read:

22651.7. In addition to, or as an alternate to removal, any peace officer, as defined in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2 of the Penal Code; or any regularly employed and salaried employee who is engaged in directing traffic or enforcing parking laws and regulations, of a city or county in which a vehicle is located may immobilize the vehicle with a device designed and manufactured for the immobilization of vehicles, on a highway located within the territorial limits in which the officer or employee may act if the vehicle is found upon the highway and is known to have been issued five or more notices of parking violation over a period of five or more days to which the owner or person in control of the vehicle has not responded. The vehicle may be immobilized until that person furnishes to the immobilizing law enforcement agency evidence of his or her identity and an address within this state at which he or she can be located and satisfactory evidence that bail has been deposited for all notices of parking violation issued for the vehicle. A notice of parking violation issued to the vehicle shall be

accompanied by a warning that repeated violations may result in the impounding or immobilizing of the vehicle. In lieu of requiring satisfactory evidence that the bail has been deposited, the immobilizing law enforcement agency may, in its discretion, issue a notice to appear for the offenses charged, as provided in Article 2 (commencing with Section 40500) of Chapter 2 of Division 17. In lieu of either furnishing satisfactory evidence that the bail has been deposited or accepting the notice to appear, that person may demand to be taken without unnecessary delay before a magistrate within the county in which the offenses charged are alleged to have been committed and who has jurisdiction of the offenses and is nearest or most accessible with reference to the place where the vehicle is immobilized. Evidence of current registration shall be produced after a vehicle has been immobilized or a notice to appear for violation of subdivision (a) of Section 4000 shall be issued to that person.

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

In order to expedite the collection of unpaid parking citations issued to scofflaw drivers and alleviate the congestion in storage facilities for impounded vehicles, it is necessary for this act to take effect immediately.

CHAPTER 182

An act to add Section 11571.5 to the Health and Safety Code, relating to nuisances.

[Approved by Governor June 21, 1986. Filed with Secretary of State June 23, 1986.]

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

SECTION 1. Section 11571.5 is added to the Health and Safety Code, to read:

11571.5. For purposes of this article, an action to abate a nuisance may be taken by the city attorney or city prosecutor of the city within which the nuisance exists, is kept, or is maintained. An action by a city attorney or city prosecutor shall be accorded the same precedence as an action maintained by the district attorney of the county.

CHAPTER 183

An act to amend Section 1654 of the Code of Civil Procedure, relating to family law.

[Approved by Governor June 23, 1986. Filed with Secretary of State June 24, 1986]

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

SECTION 1. Section 1654 of the Code of Civil Procedure is amended to read:

1654. (a) The remedies provided in this title are in addition to and not in substitution for any other remedies.

(b) Notwithstanding subdivision (a) or any other provision of law, no party to any action under this title, nor assignee of any party of any action under this title, shall be entitled to attorney's fees from the opposing party for prosecuting or defending the action, except where the court finds that the opposing party has not prosecuted or defended the action in good faith.

CHAPTER 184

An act to amend Section 4333 of the Business and Professions Code, relating to pharmacists.

[Approved by Governor June 23, 1986 Filed with Secretary of State June 24, 1986]

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

SECTION 1. Section 4333 of the Business and Professions Code is amended to read:

4333. (a) Notwithstanding Section 651, an advertisement of the retail price for a drug which requires a prescription shall be limited to quantities of the drug which are consistent with good medical practice and shall include the strength, dosage form, and the exact dates during which the advertised price will be in effect.

(b) In every pharmacy there shall be prominently posted in a place conspicuous to and readable by prescription drug consumers a notice provided by the board concerning the availability of prescription price information, the possibility of generic drug product selection, and the type of services provided by pharmacies. The format and wording of the notice shall be adopted by the board in accordance with the rulemaking provisions of the Administrative Procedure Act.

(c) A pharmacist, or a pharmacist's employee, shall give the current retail price for any drug sold at the pharmacy upon request

from a consumer, however that request is communicated to the pharmacist or employee.

(d) If a requester requests price information on more than five prescription drugs and does not have valid prescriptions for all of the drugs for which price information is requested, a pharmacist may subject that requester to any or all of the following requirements:

(1) The request shall be in writing.

(2) The pharmacist shall respond to the written request within a reasonable period of time. A reasonable period of time is deemed to be 10 days, or the time period stated in the written request, whichever is later.

(3) For any request for price quotations for more than 20 drugs, the pharmacy may charge a reasonable fee, payable in advance, not to exceed one dollar ($1) for each price quotation, as long as the requester is informed that there will be a fee charged.

(4) No pharmacy shall be required to respond to more than three requests as described in this subdivision from any one person or entity in a six-month period.

(e) This section shall not apply to a pharmacy which is located in a licensed hospital and which is accessible only to hospital medical staff and personnel.

(f) Notwithstanding any other provision of this section, no pharmacy shall be required to do any of the following:

(1) Provide the price of any controlled substance, as listed in Sections 11054 to 11058, inclusive, of the Health and Safety Code, in response to a telephone request.

(2) Respond to a request from a competitor.

(3) Respond to a request from an out-of-state requester.

CHAPTER 185

An act to amend Section 6254 of the Government Code, and to amend Section 32106 of the Health and Safety Code, relating to hospital districts.

[Approved by Governor June 24, 1986 Filed with Secretary of State June 24, 1986]

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

SECTION 1. The Legislature finds and declares all of the following:

(a) That district hospitals provide efficient and cost conscious health care services in many areas of the state.

(b) Because of Proposition 13, on the ballot of June 6, 1978, which added Article XIII A to the California Constitution, and increasing pressure for cost containment in the health care industry, district hospitals are increasingly put into competitive positions with

nonprofit and proprietary hospitals.

(c) Because district hospitals are subject to public meeting and disclosure laws, they are, with growing frequency, forced to disclose financial and planning information in the nature of trade secrets, which information is of value to competing hospitals.

(d) Therefore, it is necessary in the interest of providing healthy competition for health care services to provide a limited exemption for district hospitals for purposes of the laws pertaining to open meetings and public records.

SEC. 2. Section 6254 of the Government Code is amended to read:

6254. Except as provided in Section 6254.7, nothing in this chapter shall be construed to require disclosure of records that are any of the following:

(a) Preliminary drafts, notes, or interagency or intraagency memoranda which are not retained by the public agency in the ordinary course of business, provided that the public interest in withholding those records clearly outweighs the public interest in disclosure.

(b) Records pertaining to pending litigation to which the public agency is a party, or to claims made pursuant to Division 3.6 (commencing with Section 810), until the pending litigation or claim has been finally adjudicated or otherwise settled.

(c) Personnel, medical, or similar files, the disclosure of which would constitute an unwarranted invasion of personal privacy.

(d) Contained in or related to:

(1) Applications filed with any state agency responsible for the regulation or supervision of the issuance of securities or of financial institutions, including, but not limited to, banks, savings and loan associations, industrial loan companies, credit unions, and insurance companies.

(2) Examination, operating, or condition reports prepared by, on behalf of, or for the use of, any state agency referred to in paragraph (1).

(3) Preliminary drafts, notes, or interagency or intraagency communications prepared by, on behalf of, or for the use of, any state agency referred to in paragraph (1).

(4) Information received in confidence by any state agency referred to in paragraph (1).

(e) Geological and geophysical data, plant production data, and similar information relating to utility systems development, or market or crop reports, which are obtained in confidence from any person.

(f) Records of complaints to, or investigations conducted by, or records of intelligence information or security procedures of, the office of the Attorney General and the Department of Justice, and any state or local police agency, or any such investigatory or security files compiled by any other state or local police agency, or any such investigatory or security files compiled by any other state or local

agency for correctional, law enforcement, or licensing purposes, except that state and local law enforcement agencies shall disclose the names and addresses of persons involved in, or witnesses other than confidential informants to, the incident, the description of any property involved, the date, time, and location of the incident, all diagrams, statements of the parties involved in the incident, the statements of all witnesses, other than confidential informants, to the victims of an incident, or an authorized representative thereof, an insurance carrier against which a claim has been or might be made, and any person suffering bodily injury or property damage or loss, as the result of the incident caused by arson, burglary, fire, explosion, larceny, robbery, vandalism, vehicle theft, or a crime as defined by subdivision (c) of Section 13960, unless the disclosure would endanger the safety of a witness or other person involved in the investigation, or unless disclosure would endanger the successful completion of the investigation or a related investigation; provided, however, that nothing in this division shall require the disclosure of that portion of those investigative files which reflect the analysis or conclusions of the investigating officer.

Other provisions of this subdivision notwithstanding, state and local law enforcement agencies shall make public the following information, except to the extent that disclosure of a particular item of information would endanger the safety of a person involved in an investigation or would endanger the successful completion of the investigation or a related investigation:

(1) The full name, current address, and occupation of every individual arrested by the agency, the individual's physical description including date of birth, color of eyes and hair, sex, height and weight, the time and date of arrest, the time and date of booking, the location of the arrest, the factual circumstances surrounding the arrest, the amount of bail set, the time and manner of release or the location where the individual is currently being held, and all charges the individual is being held upon, including any outstanding warrants from other jurisdictions and parole or probation holds.

(2) The time, substance, and location of all complaints or requests for assistance received by the agency and the time and nature of the response thereto, including, to the extent the information regarding crimes alleged or committed or any other incident investigated is recorded, the time, date and location of occurrence, the time and date of the report, the name, age and current address of the victim, except that the address of the victim of any crime defined by Section 261, 264, 264.1, 273a, 273d, 286, 288, 288a, or 289 of the Penal Code shall not be disclosed, the factual circumstances surrounding the crime or incident, and a general description of any injuries, property, or weapons involved.

(g) Test questions, scoring keys, and other examination data used to administer a licensing examination, examination for employment, or academic examination, except as provided for in Chapter 3 (commencing with Section 99150) of Part 65 of the Education Code.

(h) The contents of real estate appraisals or engineering or feasibility estimates and evaluations made for or by the state or local agency relative to the acquisition of property, or to prospective public supply and construction contracts, until all of the property has been acquired or all of the contract agreement obtained, provided, however, the law of eminent domain shall not be affected by this provision.

(i) Information required from any taxpayer in connection with the collection of local taxes which is received in confidence and the disclosure of the information to other persons would result in unfair competitive disadvantage to the person supplying the information.

(j) Library circulation records kept for the purpose of identifying the borrower of items available in libraries, and library and museum materials made or acquired and presented solely for reference or exhibition purposes. The exemption in this subdivision shall not apply to records of fines imposed on the borrowers.

(k) Records the disclosure of which is exempted or prohibited pursuant to provisions of federal or state law, including, but not limited to, provisions of the Evidence Code relating to privilege.

(*l*) Correspondence of and to the Governor or employees of the Governor's office or in the custody of or maintained by the Governor's legal affairs secretary, provided that public records shall not be transferred to the custody of the Governor's legal affairs secretary to evade the disclosure provisions of this chapter.

(m) In the custody of or maintained by the Legislative Counsel.

(n) Statements of personal worth or personal financial data required by a licensing agency and filed by an applicant with the licensing agency to establish his or her personal qualification for the license, certificate, or permit applied for.

(o) Financial data contained in applications for financing under Division 27 (commencing with Section 44500) of the Health and Safety Code, where an authorized officer of the California Pollution Control Financing Authority determines that disclosure of the financial data would be competitively injurious to the applicant and the data is required in order to obtain guarantees from the United States Small Business Administration. The California Pollution Control Financing Authority shall adopt rules for review of individual requests for confidentiality under this section and for making available to the public those portions of an application which are subject to disclosure under this chapter.

(p) Records of state agencies related to activities governed by Chapter 10.3 (commencing with Section 3512) of Division 4 of Title 1, Chapter 10.5 (commencing with Section 3525) of Division 4 of Title 1, and Chapter 12 (commencing with Section 3560) of Division 4 of Title 1, which reveal a state agency's deliberative processes, impressions, evaluations, opinions, recommendations, meeting minutes, research, work products, theories, or strategy, or which provide instruction, advice, or training to employees who do not have full collective bargaining and representation rights under the

above chapters. Nothing in this subdivision shall be construed to limit the disclosure duties of a state agency with respect to any other records relating to the activities governed by the employee relations acts referred to in this subdivision.

(q) Records of state agencies related to activities governed by Articles 2.6 (commencing with Section 14081), 2.8 (commencing with Section 14087.5), and 2.91 (commencing with Section 14089) of Chapter 7 of Part 3 of Division 9 of the Welfare and Institutions Code, which reveal the special negotiator's deliberative processes, discussions, communications, or any other portion of the negotiations with providers of health care services, impressions, opinions, recommendations, meeting minutes, research, work product, theories, or strategy, or which provide instruction, advice, or training to employees.

Except for the portion of a contract containing the rates of payment, contracts for inpatient services entered into pursuant to these articles, on or after April 1, 1984, shall be open to inspection one year after they are fully executed. In the event that a contract for inpatient services which is entered into prior to April 1, 1984, is amended on or after April 1, 1984, the amendment, except for any portion containing the rates of payment, shall be open to inspection one year after it is fully executed. If the California Medical Assistance Commission enters into contracts with health care providers for other than inpatient hospital services, those contracts shall be open to inspection one year after they are fully executed.

Three years after a contract or amendment is open to inspection under this subdivision, the portion of the contract or amendment containing the rates of payment shall be open to inspection.

Notwithstanding any other provision of law, the entire contract or amendment shall be open to inspection by the Joint Legislative Audit Committee. The Joint Legislative Audit Committee shall maintain the confidentiality of the contracts and amendments until such time as a contract or amendment is fully open to inspection by the public.

(r) Records of Native American graves, cemeteries, and sacred places maintained by the Native American Heritage Commission.

(s) A final accreditation report of the Joint Commission on Accreditation of Hospitals which has been transmitted to the State Department of Health Services pursuant to subdivision (b) of Section 1282 of the Health and Safety Code.

(t) Records of a local hospital district, formed pursuant to Division 23 (commencing with Section 32000) of the Health and Safety Code, which relate to any contract with an insurer or nonprofit hospital service plan for inpatient or outpatient services for alternative rates pursuant to Section 10133 or 11512 of the Insurance Code. However, the record shall be open to inspection within one year after the contract is fully executed.

Nothing in this section is to be construed as preventing any agency from opening its records concerning the administration of the agency to public inspection, unless disclosure is otherwise prohibited

by law.

Nothing in this section is to be construed as preventing any health facility from disclosing to a certified bargaining agent relevant financing information pursuant to Section 8 of the National Labor Relations Act.

SEC. 3. Section 32106 of the Health and Safety Code is amended to read:

32106. (a) Except as provided in this section or Section 32155, all of the sessions of the board of directors, whether regular or special, shall be open to the public, and a majority of the members of the board shall constitute a quorum for the transaction of business.

(b) The board of directors may order that a meeting held solely for the purpose of discussion or deliberation, or both, of reports involving hospital trade secrets be held in closed session. Except as provided in this subdivision, the closed session shall meet all applicable requirements of Chapter 9 (commencing with Section 54950) of Division 2 of Title 5 of the Government Code, including Section 54957.7.

(c) "Hospital trade secrets," as used in this section, means a "trade secret," as defined in subdivision (d) of Section 3426.1 of the Civil Code, and in addition meets all of the following:

(1) Is necessary to initiate a new hospital service or program or add a hospital facility.

(2) Would, if prematurely disclosed, create a substantial probability of depriving the hospital of a substantial economic benefit.

(d) The exception provided in subdivision (b) to the general open meeting requirements for a meeting of the board of directors, shall not apply to a meeting where there is action taken, as defined in Section 54952.6 of the Government Code.

(e) Nothing in this section shall be construed to permit the board of directors to order a closed meeting for the purposes of discussing or deliberating, or to permit the discussion or deliberation in any closed meeting of any proposals regarding:

(1) The sale, conversion, contract for management, or leasing of any district hospital or the assets thereof, to any for-profit or nonprofit entity, agency, association, organization, governmental body, person, partnership, corporation, or other hospital district.

(2) The conversion of any district hospital to any other form of ownership by the hospital district.

(3) The dissolution of any hospital district.

Assembly Bill No. 3217

CHAPTER 186

An act making appropriations for the support of the government of the State of California and for several public purposes in accordance with the provisions of Section 12 of Article IV of the Constitution of the State of California, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 25, 1986. Filed with Secretary of State June 25, 1986.]

I object to the following appropriations contained in Assembly Bill No 3217

Item 0420-111-001—For local assistance, for purposes of phase-in operation of the Trial Court Funding Act of 1985, Chapter 1607 of the Statutes of 1985 I eliminate this item in the amount of $5,000,000 and delete Provision 1.

When I signed the Trial Court Funding Act of 1985, I stated that subsequent legislation to implement this program should seek to avoid excessive new General Fund costs as well as include significant reforms to our judicial process. Funding for this program should be included in legislation that addresses these concerns This administration has submitted a proposal, SB 2087, which provides funding, avoids excessive new General Fund costs, and includes significant judicial reforms.

I am deleting Provision 1 to conform to this action

"1. Pursuant to pertinent rules to be adopted by the Judicial Council for implementation as provided in Section 77205 of the Government Code disbursements shall be made to selected option counties for phase-in of this program "

Item 0820-001-001—For support of Department of Justice. I reduce this item from $144,844,000 to $143,454,000 by reducing

(a) 11.01—Executive—Administration from $42,958,000 to $41,958,000,

(g) 50—Law Enforcement from $117,890,000 to $117,500,000,

and by deleting Provision 6

I am eliminating the $1,000,000 and 31.7 personnel years legislative augmentation for salary savings relief The Department of Justice's budget was augmented by $773,000 in the 1985–86 fiscal year for salary savings relief This amount was carried forward to the 1986–87 fiscal year

I am also eliminating the $390,000 and 4.7 personnel years legislative augmentation for the establishment of the Redding field office for the Bureau of Narcotic Enforcement/Bureau of Investigation I have provided $2,537,000 to upgrade the criminalistic laboratory services and $405,000 and 2 9 personnel years to establish three additional narcotics tasks forces, which is an eight percent increase in investigation and enforcement efforts If the department believes that it is more efficient to have a Redding field office, then existing resources should be redirected to establish this field office

I am also deleting Provision 6

"6 The Department of Justice shall not be restricted in the promotion of any deputy attorney general by the application of any staffing ratios "

This provision inappropriately restricts the Department of Personnel Administration's classification authority and the Executive Branch's approval of the allocation of resources This is a collective bargaining issue and should be addressed through the normal administrative process

Item 0860-001-001—For support State Board of Equalization. I delete Provisions 4 and 5

I have taken the opportunity to review the Legislature's action on my contracting-out proposals, which I initiated to encourage the development of innovative alternatives to traditional State operations, with the intent of increasing the efficiency of the delivery of services to the public. Although many of my proposals

were adopted by the Legislature, the contracting-out proposal which would have allowed the State Board of Equalization to realize cost-savings related to updating property tax cost manuals was not accepted In reviewing the basis for the Legislature's action, I have determined that this proposal continues to be an appropriate opportunity to contract-out. I am, therefore, eliminating the two positions added by the Legislature and will use the related funds to contract for these services. I am, therefore, deleting Provisions 4 and 5 to conform to this action.

"4. Of the amount appropriated in category (a), $68,000 shall be expended for two full-time property tax appraisers These appraisers shall be used to update the board's property tax cost manuals. Of the amount appropriated in category (b), $32,000 shall be expended for support of these appraisers No later than December 15, 1986, the Board of Equalization shall report to the Chairperson of the Joint Legislative Budget Committee and the fiscal committees of each house of the Legislature regarding progress made in updating its property tax cost manuals. The report shall include, but shall not be limited to, the following (a) a list of the sections which must be updated; (b) a schedule for completing the update of these sections; and (c) the number of hours required to complete the update. In addition, the board shall provide an estimate of the level of resources necessary for maintaining the cost manuals "

"5. The Director of Finance shall provide written notification of any intention to approve any category transfer between categories (a) and (b) to the Chairperson of the Joint Legislative Budget Committee not sooner than 30 days prior to its approval of any such transfer, or not sooner than whatever lesser time the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may determine."

Item 1100-001-001—For support of Museum of Science and Industry I reduce this item from $8,510,000 to $8,321,000 by reducing,

(a) 100000—Personal Services from $4,701,000 to $4,512,000,

and by deleting Provisions 2 and 3

I am eliminating the $189,000 and 12 personnel years legislative augmentation which was added to retain state employees for operation of all parking lots in Exposition Park. This augmentation provides two months funding for continued operation of these lots with state staff until a net revenue contract can be implemented For 1986-87, a net revenue contract will be awarded to contract out for the operation of all parking lots not directly related to the Museum's facilities These are lots related to the Coliseum and to the Sports Arena which surround the Museum I believe that this is the most appropriate way of managing these parking lots since they support adjoining sports facilities and, therefore, are not related to the Museum's principal educational function.

I am deleting Provisions 2 and 3 to conform to this action

"2 The Director of General Services shall not approve a contract, permit, or lease agreement by the museum (excluding those for museum exhibits), which reduces state revenues or increases state costs by $25,000 or more, unless, not sooner than 30 days prior to giving his or her approval, the director submits in writing to the Chairperson of the Joint Legislative Budget Committee notification of the director's intent to approve the contract, permit, or lease, or not sooner than such lesser time as the chairperson may in each instance determine "

"3 None of the funds appropriated by this item may be encumbered for any program which would result in the replacement of state personnel employed in parking lot operations."

Item 1240-022-738—For support of Board of Cosmetology. I reduce this item from $3,305,000 to $3,133,000 by reducing·

(a) 33—State Board of Cosmetology from $3,326,000 to $3,154,000.

I am eliminating the $172,000 and 5.2 personnel years legislative augmentation which would provide for increased inspection staff to perform annual inspections. There is no evidence that the health and safety of the public is endangered if annual inspections are not conducted These inspections are conducted to review the conditions of the facilities and equipment, rather than the competence of the licensee

I believe the Board's remaining budget provides adequate resources to protect the health and safety of the public. According to the Board of Cosmetology, the planned decentralization of inspectors from the Division of Investigation to the Board will increase the average frequency of inspections of licensees from once every three years to once every two years. I believe this decentralization should be given an opportunity to be implemented before other measures are proposed.

Item 1730-001-001—For support of Franchise Tax Board. I reduce this item from $140,052,000 to $139,453,000 by reducing.

(a) 100000—Personal Services from $106,471,000 to $106,314,000,

(b) 300000—Operating Expenses and Equipment from $37,407,000 to $36,965,000.

I am reducing this item by $350,000 and 7.2 personnel years which the Legislature added to the Telephone Information Center. The Governor's Budget proposed an increase in funding of $1,043,000 and 13.4 personnel years for the Center in 1986–87, which would provide a 16.9 percent increase above the 1985–86 funding level. The Legislature augmented the Center's budget by $700,000 and 14.4 personnel years. I am reducing the augmentation by one half. I believe this will provide an adequate level of resources to respond to telephone inquiries. In addition to the telephone assistance, the Board has other sources of information available to the public, such as free Franchise Tax Board booklets. In 1986–87, a high priority for General Fund support in the Franchise Tax Board budget was to augment revenue-producing activities, such as audits and collections. A total of $4 01 million and 133 1 personnel years were added for these activities.

In addition, I am reducing this item by $249,000 to eliminate an augmentation for janitorial services. For 1986–87, I proposed $383,000 to continue a contract with a private firm for janitorial services in the new Sacramento headquarters building. This augmentation would increase that amount by 65 percent in order to contract with the Department of General Services, whose budget was augmented by $549,000 and 21 4 personnel years. Despite this increase in cost, the augmentation would not increase either the quantity or the quality of service provided to the Franchise Tax Board. The services provided by the private firm are less costly than using state staff, and, in addition, the contract is based on the payment of prevailing wages and meets other state requirements, including approval of the State Personnel Board I believe that continuation of this contract provides an opportunity to achieve the same level of service at a lower cost. Therefore, I am eliminating this augmentation for a savings of $249,000.

Item 1760-001-001—For support of the Department of General Services I eliminate this item and delete Provision 1.

This corresponds to actions I have taken in eliminating Item 1760-001-666 Although this action eliminates General Fund support for the Department of General Services, the department will recondition the two Capitol Building elevators for which an augmentation had been provided, as well as increase its staff by two positions to provide additional warehouse support staff for the loading docks in the Capitol. Funding will be provided from the Service Revolving Fund pursuant to the authority contained in Section 16422 of the Government Code.

To conform with this action, I am also deleting Provision 1

"1. In addition to the funds available in this item, any amounts received from the sale of the Governor's Budget and related publications funded from this item are available for expenditure."

Item 1760-001-002—For support of Department of General Services. I eliminate this item.

This corresponds with the action I have taken eliminating Item 1760-001-666.

Item 1760-001-003—For support of Department of General Services. I eliminate this item.

This corresponds with the action I have taken in eliminating Item 1760-001-666. As a result of eliminating this item, continued funding is authorized by the continuous appropriation authority contained in Government Code Section 14678.

Item 1760-001-006—For support of Department of General Services. I eliminate this item.

This corresponds with the action I have taken in eliminating Item 1760-001-666 As a result of eliminating this item, continued funding is authorized by the continuous appropriation authority contained in Government Code Sections 4454.

Item 1760-001-022—For support of Department of General Services I eliminate this item.

This corresponds with the action I have taken in eliminating Item 1760-001-666.

Item 1760-001-026—For support of Department of General Services I eliminate this item.

This corresponds with the action I have taken in eliminating Item 1760-001-666. As a result of eliminating this item, continued funding is authorized by the continuous appropriation authority contained in Government Code Section 16379.

Item 1760-001-120—For support of Department of General Services. I eliminate this item.

This corresponds with the action I have taken in eliminating Item 1760-001-666. As a result of eliminating this item, continued funding is authorized by the continuous appropriation authority contained in Education Code Sections 15371 to 15466

Item 1760-001-122—For support of Department of General Services. I eliminate this item.

This corresponds with the action I have taken in eliminating Item 1760-001-666. As a result of eliminating this item, continued funding is authorized by the continuous appropriation authority contained in Health and Safety Code Section 15047

Item 1760-001-344—For support of Department of General Services I eliminate this item and delete Provision 1.

This corresponds with the action I have taken in eliminating Item 1760-001-666. As a result of eliminating this item, continued funding is authorized by the continuous appropriation authority contained in Education Code Section 17708.

To conform with this action I am deleting Provision 1.

"1. Of the funds appropriated by this item, up to $565,000 shall be used for office automation in the Office of Local Assistance, but shall not be available for encumbrance until the feasibility study report for the project has been approved by the Director of Finance."

Item 1760-001-397—For support of Department of General Services I eliminate this item.

This corresponds with the action I have taken in eliminating Item 1760-001-666

Item 1760-001-450—For support of Department of General Services I eliminate this item.

This corresponds with the action I have taken in eliminating Item 1760-001-666 As a result of eliminating this item, continued funding is authorized by the continuous appropriation authority contained in Health and Safety Code Section 19183(b).

Item 1760-001-465—For support of Department of General Services. I eliminate this item and delete Provision 1.

This corresponds with the action I have taken in eliminating Item 1760-001-666. As a result of eliminating this item, continued funding is authorized by the continuous appropriation authority contained in Public Resources Code Section 25216.5

To conform with this action I am deleting Provision 1

"1. On or before September 30, 1986, and annually thereafter the Director of General Services shall report, using generally accepted accounting principles, to the legislative fiscal committees on the income and expenses of all Office of Energy Assessment activities in the previous fiscal year This report shall identify personal services costs, operating expenses, and revenues."

Item 1760-001-602—For support of Department of General Services. I eliminate this item and delete Provisions 1, 3, 4 and 5.

This corresponds with the action I have taken in eliminating Item 1760-001-666. As a result of eliminating this item, continued funding is authorized by the continuous appropriation authority contained in Government Code Section 14957.

To conform with this action I am deleting Provisions 1, 3, 4 and 5.

"1. The appropriation from the Architecture Revolving Fund Item 1760-001-602 is

for expenditure by the Office of State Architect for the purpose specified in Section 14957 of the Government Code."

"3. Within 60 days of the enactment of this act, notice shall be given to the Joint Legislative Budget Committee of the Revisions necessary to the budget of the Department of General Services funded from the Architecture Revolving Fund to reflect the changes made to capital outlay project funding by the Legislature The Director of Finance shall, pursuant to Section 28 of this act, revise the appropriations contained in this item to coincide with the revisions reported by the department."

"4. The limitations of Item 9840-001-988 shall not apply to any deficiency expenditure authorization for the Architecture Revolving Fund pursuant to Section 11006 of the Government Code, in cases where the Legislature approves funds for a particular project, the project involves additional expense by the Department of General Services and no additional funds have been appropriated to the Department of General Services for purposes of that project."

"5. The professional staff assigned to basic architectural and engineering services within the Office of State Architect shall not exceed 69 personnel years during the 1986–87 fiscal year, in accordance with the September 1985 report to the Legislature on projected workload in the office."

Item 1760-001-666—For support of Department of General Services. I eliminate this item and delete Provisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 14, 15, 16, 17, 18, 19, 20 and 21.

In the Legislature's final actions regarding the Department of General Services budget, ten months of funding for the Director's Office and the Division of Administration was eliminated. While representing a small proportion of the total budget, these funds provide the department with the ability to support and direct all of the other programs for which it is responsible. A reduction of this magnitude would impair the ability of the department to provide such necessary services as architectural work for the state's capital outlay programs; printing; telecommunications, including emergency telephone number support; security for elected officials; procurement; allocations to school districts for school construction; and administrative hearings. In order to provide the necessary support and direction for these essential services, I am eliminating the Budget Act appropriation for the Service Revolving Fund to allow the continuous appropriation authority contained in Section 16422 of the Government Code to become effective. I am retaining the authorized positions approved by the Legislature except for the two augmentations for janitorial services and telecommunications staff discussed below. The balance of the personnel years will be supported by the continuous appropriation and are needed to meet departmental objectives. As a conforming action, I am eliminating the subsidiary items related to this item, many of which are also continuously appropriated.

I also will not be utilizing 21.4 personnel years to provide janitorial services to the Franchise Tax Board. In administering its continuous appropriation, the Department of General Services will not restore funding for these positions. This action, as well as the elimination of Provision 10 mentioned below, conforms to the action I have taken in Item 1730-001-001. I vetoed a similar augmentation in 1985–86 and indicated in the veto message that this activity continued to offer an appropriate opportunity to contract out. A contract was implemented in 1985–86 which is less expensive than using state staff, requires the payment of the prevailing wage rate, and was approved by the State Personnel Board. The Franchise Tax Board will save $249,000 annually as a result of continuing to contract out this activity. No evidence has been provided to warrant returning to the traditional delivery of service at a significantly higher cost.

In addition, I will not be utilizing the 5.7 personnel year legislative augmentation for the Office of Telecommunications. The continuous appropriation, however, will allow the department to spend the $314,000 added by the Legislature to contract with private sector consultants to provide the technical expertise which is needed for one-time activities on a short-term basis. Since the divestiture of AT&T and the deregulation of the telephone industry, the state has become responsible for managing its own telecommunications network. Telecommunications is a rapidly advancing

technical field in which expertise is limited and in great demand. Private sector organizations are developing this expertise and competing for individuals with these skills, limiting the State's ability to hire and retain qualified individuals Nevertheless, State communications services would benefit, and considerable monies would be saved, if the State could apply new techniques to the development of its voice and data networks Private sector providers of telecommunications services are eager to help the State develop new communication facilities In the process of establishing new telecommunications networks different, specific expertise is required at various stages of development, making parts of this initiative suitable for contracting out.

The Office of Telecommunications will spend the $314,000 to support, in consultation with other State agencies, the planning and development of new telecommunications networks which are necessary to provide improved services in many of the State's programs. The Office will rely on advice from organizations with established expertise in this field. The Office will prepare a report recommending specific implementation plans and schedules to ensure that the state is taking full advantage of the opportunities available in the current communications environment. This report will be available by April 30, 1987.

To conform with the actions taken in this item, I am deleting Provisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 14, 15, 16, 17, 18, 19, 20, and 21.

"1 From any balance in the Service Revolving Fund, the Director of General Services, with the approval of the Director of Finance, may expend funds in excess of the amount appropriated in this item for the purchase of office copier machines. Any such amounts authorized by the Director of Finance for the purchase of office copier machines are hereby appropriated from the Service Revolving Fund as a loan to be repaid upon such terms and conditions as prescribed by the Director of Finance."

"2 No more than $38,019,000 appropriated in this item may be expended for support of the Office of State Printing "

"3. Purchase of any equipment for the Office of State Printing, except as provided for in this item, is subject to Section 28 of this act."

"4. Any surplus resulting from legislative printing shall be shown as reimbursement to Item 0130-021-001 of this act.

"5 None of the funds appropriated in this item may be expended to operate the gasification plant in Sacramento unless the Department of General Services determines that it is economical to do so. The Department of General Services shall report to the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the fiscal committees of each house on a quarterly basis beginning October 1, 1984, on the status of the gasification plant and the department's determination of any savings achieved by operation of the gasification plant."

"6. The limitation of Item 9840-001-988 shall not apply to any deficiency expenditure authorization for the Service Revolving Fund pursuant to Section 11006 of the Government Code, in cases where the Legislature approves funds for a particular service or purchase of equipment, the provision of the service or purchase of the equipment involves additional expense to be incurred by the Department of General Services and no additional funds have been appropriated to the department for that purpose."

"7. The Budget for the 1987–88 fiscal year for two program elements of this budget item shall be prepared using a zero-base budget technique. The Department of Finance and the Department of General Services shall select the two program elements."

"8. (a) Notwithstanding Section 16422 of the Government Code, the balance of any rental receipts paid into the Building Rental Account of the Service Revolving Fund as of June 30, 1986, after accounting for all receipts and the fiscal year 1985–86 costs of maintaining, operating, and insuring buildings included within the account shall be transferred by the State Controller to the General Fund and reported to the Joint Legislative Budget Committee no later than September 30, 1986.

(b) On or before September 30, 1986, the State Controller shall transfer to the

General Fund any amount of accumulated surplus in the Service Revolving Fund computed as of June 30, 1986, and any net amount of the Building Rental Account in excess of $61,500,000."

"9. The Director of General Services shall report to the legislative fiscal committees and the Joint Legislative Budget Committee, on a quarterly basis, the fund status of capital outlay projects for which the department provides services. The report shall include the project name, work order code, the appropriation by phase, and the expenditures to date on each of the phases of each active project serviced by the department."

"10. The Department of General Services shall not contract for janitorial services for the Franchise Tax Board facility in Sacramento."

"11. (a) The Director of General Services shall report to the Chairperson of the Joint Legislative Budget Committee on or before September 30, 1986, on the department's actions to: (1) determine the liability for 11 repair projects funded ($615,390) in the 1986-87 fiscal year; and (2) collect damages from the liable party to offset the cost of these special repair projects.

(b) If the Chairperson of the Joint Legislative Budget Committee determines that the director's report does not fully resolve the issue of liability, the Auditor General shall investigate this matter and report to the Chairperson of the Joint Legislative Budget Committee by April 30, 1987. The Auditor General's report shall detail:

(1) Persons, firms or organizations liable for these repairs.

(2) Whether the actions of the Department of General Services to recoup cost on these projects from consultants, contractors, or other responsible parties have been adequate and appropriate

(3) Actions the Department of General Services should take in the future to ensure that the state does not pay to correct building deficiencies resulting from errors or omissions by consultants, contractors, or others."

"14. Notwithstanding Section 16422 of the Government Code, on July 1, 1986, the State Controller shall transfer $3,700,000 from the Service Revolving Fund, Building Rental Account, to the General Fund."

"15. Notwithstanding Section 14669 of the Government Code, the Director of General Services, acting on behalf of the Office of Records Management, may enter into a lease, a lease with an option to purchase, or a lease-purchase agreement, for the purpose of providing adequate storage facilities for the Office of Records Management. Prior to entering into any contractual agreement for a new storage facility, the director shall prepare an analysis to provide a storage facility under a variety of arrangements which include, but are not limited to, the use of a lease, a lease with an option to purchase, or a lease-purchase agreement. The director shall not enter into a lease, a lease with an option to purchase, or a lease-purchase agreement unless, at least 30 days prior to its execution, the director notifies the Chairperson of the Joint Legislative Budget Committee and chairpersons of the legislative fiscal committees of his or her intent to enter into such an agreement, and shall include an analysis and justification for selecting the approach which the director deems to be in the best interest of the state."

"16. Of the funds appropriated in this item, $299,000 for office automation in the Office of Administrative Services shall not be available for encumbrance until a feasibility study report for the project has been approved by the Department of Finance."

"17 The Director of General Services may enter into a lease-purchase agreement, an agreement for the appointment of a bond trustee, an amendment to the Existing Joint Powers Agreement to provide for a parking structure, and an agreement for the Department of General Services to act as agent for construction matters, all with the Joint Powers Authority created under the Joint Powers Agreement dated June 30, 1982, entered into with the Community Redevelopment Agency of the City of Los Angeles. The

lease-purchase agreement may provide for space to be used for private commercial purposes. The director shall notify the Chairperson of the Joint Legislative Budget Committee and the chairperson of the legislative fiscal committees of his or her intention to execute the lease-purchase agreement at least 20 days prior to its execution."

"18. Of the amount appropriated in category (b), $579,000 budgeted for the Purchasing Information Network computer system may not be encumbered unless the appropriate feasibility study reports (relating to the information software and the office automation equipment) are approved by the Office of Information Technology in the Department of Finance."

"19. At least 10 days before signing a contract with a private firm to provide janitorial services, the Director of General Services shall certify to the Joint Legislative Budget Committee that the level of janitorial services to be provided by the private firm shall meet or surpass the standards applied for a state office building maintained by janitors of the Office of Buildings and Grounds."

"20. Of the amount appropriated in category (b), $25,000 shall be used for follow-up purposes for reviewing the status of implementation of the management study of the administration of Office of Procurement "

"21. Of the amount appropriated in category (b), $4,760,000 shall be used for the purchase of currently-leased telephone equipment and $240,000 shall be used for consulting services by the Office of Telecommunications in the Department of General Services "

Item 1760-001-688—For support of Department of General Services. I eliminate this item

This corresponds with the action I have taken in eliminating Item 1760-001-666 As a result of eliminating this item, continued funding is authorized by the continuous appropriation authority contained in Public Contract Code Section 10383.5.

Item 1760-001-739—For support of Department of General Services. I eliminate this item.

This corresponds with the action I have taken in eliminating Item 1760-001-666. As a result of eliminating this item, continued funding is authorized by the continuous appropriation authority contained in Education Code Section 16096.

Item 1760-001-890—For support of Department of General Services. I eliminate this item.

This corresponds with the action I have taken in eliminating Item 1760-001-666 As a result of eliminating this item, continued funding is authorized by the continuous appropriation authority contained in Government Code Section 16361 and Section 8 5 of the Budget Act of 1986.

Item 1760-001-961—For support of Department of General Services. I eliminate this item

This corresponds with the action I have taken in eliminating Item 1760-001-666. As a result of eliminating this item, continued funding is authorized by the continuous appropriation authority contained in Education Code Section 17780

Item 1760-011-602—For support of Department of General Services. I eliminate this item and delete Provisions 1, 2, 3, 4 and 5.

This corresponds with the action I have taken in eliminating Item 1760-001-666. As a result of eliminating this item, continued funding is authorized by the continuous appropriation authority contained in Government Code Section 14957.

To conform with this action, I am deleting Provisions 1, 2, 3, 4 and 5

"1. The Director of General Services shall immediately establish a Capital Outlay Control Unit in the Department of General Services. This unit shall report directly to the Director; it shall not report to, or be responsible in any way, to the State Architect. None of these funds or positions shall be transferred to the Office of State Architect "

"2. The Capital Outlay Control Unit, in consultation with the Office of State Architect, shall determine which projects the Office of State Architect will design using in-house professional staff. The projects shall be selected taking

into consideration the projects which the State Architect determines the Office can accomplish within the time frames established for the 1986–87 fiscal year and the professional staff assigned to basic and non-basic architectural and engineering services by Item 1760-001-602."

"3. The Capital Outlay Unit shall negotiate a fee for services with the Office of State Architect for each project assigned to that office. The unit shall enter into an interagency agreement with the office which sets forth the project schedule and fees for each phase of the project. The unit shall make progress payments to the office, based on a set percentage completion of each phase of each project. Prior to any payment to the office, the Director of General Services shall review and concur in the percentage of project completion used as the basis for payment. The interagency agreement and payment schedule for each project shall be similar to those negotiated with private architectural/engineering consulting firms."

"4. The Capital Outlay Control Unit shall be responsible for contracting with private sector firms to undertake work on the capital outlay projects assigned to the Department of General Services After establishing the projects to be undertaken by the Office of State Architect, the unit shall immediately begin the process of selecting private architectural/engineering consulting firms to undertake the remaining projects."

"5. On or before November 1, 1986, the Director of General Services shall report to the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the legislative fiscal committees on the status of each project under the jurisdiction of the Capital Outlay Control Unit The report shall identify, for each project, the project's status, the project's status compared to the original schedule, interagency/contractual fees, and any anticipated cost savings or overruns."

Item 1760-321-036—For capital outlay, Department of General Services. I delete Provisions 1, 2, 2.5 and 3.

I am deleting Provisions 1 and 3 because they limit how the Director of General Services can assign management resources to direct the programs in his Department's budget, and, thus, violate prudent management principles In reserving this flexibility for the Department of General Services, I urge the Department to strive to meet the program objectives embodied in these two provisions.

"1 Of the amount appropriated in category (2), $382,000 shall be available to the Office of Project Development and Management to administer the Underground Storage Tank Program. The tanks program shall include· (1) testing all known state-owned tanks; (2) drainage of leaking tanks; (3) soil borings at leaking tank sites; (4) cleanup of hazardous, leaking tanks; and (5) replacement of nonconsolidatable tanks "

"3. Of the amount appropriated in category (3), $2,276,000 shall be available to the Office of Project Development and Management (OPDM) asbestos program. The OPDM shall, by March 1, 1987, provide the asbestos survey and removal/control (R/C) plan to the Legislature. The R/C plan shall include, at a minimum, a list of the buildings, the R/C requirements for each building, a priority list for R/C along with the criteria used to establish the priorities, and cost estimates and schedules for R/C activities "

I am deleting Provision 2 because it could prevent the Department of General Services from maximizing the number of essential clean-ups and replacements of leaking underground storage tanks from the funds available under this appropriation. Criteria originally proposed in the current year suggested a $100,000 limit per clean-up site be used to ensure that catastrophic leaks which may be found do not deplete all funds in the appropriation. Rather, the intent is to seek a separate appropriation for such occurrences to assure progress on other essential replacements and clean-ups of more modest magnitude. The $100,000 limit suggested is judged by General Services to be sufficient for 90 percent of the occurrences

"2. The Director of General Services and the Director of Finance are prohibited from limiting the amount of funds provided under category (2) that may be expended to remedy an underground storage tank site."

I am also deleting Provision 2.5 because it would require a separate statute to authorize expenditure of the appropriation made in this bill. Such a provision is unnecessary because the Budget Act appropriation itself constitutes spending authority in this case.

"2.5 Of the amount appropriated in category (2), funds provided for underground storage remediation shall not be available for expenditure prior to legislative authorization."

Item 2200-001-001—For support of Department of Commerce. I reduce this item from $18,042,000 to $17,613,000 by reducing:

(f) 50—Small Business from $5,241,000 to $4,812,000,

and deleting: Provisions 6 and 7.

I am reducing this item by $429,000 and 3 0 positions to eliminate the legislative augmentation for the Small Business Development Center (SBDC) program Chapter 1154, Statutes of 1983, which implemented the State SBDC program, linked the State program to the Federal Small Business Administration (SBA) program. Because SBA funds will be terminated in 1986–87, my budget eliminated the matching State funds for the program. We have recently learned of the availability of other Federal funds (Job Training Partnership Act) in the amount of $400,000 and have requested the Legislature to approve the use of these funds for this purpose

I am deleting Provision 6 as a conforming action.

"6 Of the funds appropriated in category (f), $429,000 shall be allocated to the Office of Small Business for the support of existing rural Small Business Development Centers (SBDC's) and three urban SBDC's, including an SBDC in San Diego County. The department shall negotiate in good faith with the United States Small Business Administration in an effort to secure Federal funding for the SBDC's and shall report to the chairs of the Senate Budget and Fiscal Review Committee and the Assembly Ways and Means Committee on the progress of these negotiations on October 1, 1986, and January 1, 1987 Notwithstanding on the availability of Federal funds, the $429,000 shall continue to be available for the support of urban and rural SBDC's."

Further, I am deleting Provision 7 as it would restrict the department's ability to plan and conduct effective small business conferences throughout the year.

"7 None of the funds allocated by the department for the purpose of conducting small business conferences shall be expended prior to January 1, 1987."

Item 2200-002-001—For support of Motion Picture Council I reduce this item from $110,000 to $85,000.

I am reducing this item by $25,000 to eliminate the legislative augmentation for the Motion Picture Council. My budget provides $85,000 for this agency which is the appropriate level established by Chapter 1639, Statutes of 1984, which transferred the Motion Picture Council to the Department of Commerce.

Items 2200-003-001 through 2200-054-001—For support of Department of Commerce.

I am eliminating Budget Act language from the following items that would prohibit payment of the Department of Commerce's exempt salaries unless an Executive Director to the Motion Picture Council is appointed. The language constitutes an infringement on the appointment power of the Governor.

Item 2200-003-001:

I am deleting language from this item as follows.

"For support of Department of Commerce ~~; Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200/001/001, available for encumbrance only between July 1, 1986 and July 6, 1986, if a qualified Executive Director of Motion Picture Council has been appointed.~~ "

I am also deleting Provisions 1, 2, and 3 from this item.

Item 2200-004-001.

I am deleting language from this item as follows:

"For support of Department of Commerce ~~; Salaries of Exempt Postions Specified in subdivision (a) of Provision 5 of Item 2200/001/001, available for encumbrance only between July 7, 1986 and July 13, 1986, if a qualified Executive Director of Motion~~

~~Picture Council has been appointed.~~ "

I am also deleting Provisions 1, 2, and 3 from this item.

Item 2200-005-001.

I am deleting language from this item as follows.

"For support of Department of Commerce ; ~~Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200/001/001, available for encumbrance only between July 14, 1986 and July 20, 1986, if a qualified Executive Director of Motion Picture Council has been appointed.~~ "

I am also deleting Provisions 1, 2, and 3 from this item.

Item 2200-006-001.

I am deleting language from this item as follows

"For support of Department of Commerce ; ~~Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200/001/001, available for encumbrance only between July 21, 1986 and July 27, 1986, if a qualified Executive Director of Motion Picture Council has been appointed.~~ "

I am also deleting Provisions 1, 2, and 3 from this item.

Item 2200-007-001:

I am deleting language from this item as follows·

"For support of Department of Commerce ; ~~Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200/001/001, available for encumbrance only between July 28, 1986 and August 3, 1986, if a qualified Executive Director of Motion Picture Council has been appointed.~~ "

I am also deleting Provisions 1, 2, and 3 from this item

Item 2200-008-001

I am deleting language from this item as follows·

"For support of Department of Commerce ; ~~Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200/001/001, available for encumbrance only between August 4, 1986 and August 10, 1986, if a qualified Executive Director of Motion Picture Council has been appointed.~~ "

I am also deleting Provisions 1, 2, and 3 from this item

Item 2200-009-001.

I am deleting language from this item as follows

"For support of Department of Commerce ; ~~Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200/001/001, available for encumbrance only between August 11, 1986 and August 17, 1986, if a qualified Executive Director of Motion Picture Council has been appointed.~~ "

I am also deleting Provisions 1, 2, and 3 from this item

Item 2200-010-001

I am deleting language from this item as follows

"For support of Department of Commerce ; ~~Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200/001/001, available for encumbrance only between August 18, 1986 and August 24, 1986, if a qualified Executive Director of Motion Picture Council has been appointed.~~ "

I am also deleting Provisions 1, 2, and 3 from this item

Item 2200-011-001

I am deleting language from this item as follows

"For support of Department of Commerce ; ~~Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200/001/001, available for encumbrance only between August 25, 1986 and August 31, 1986, if a qualified Executive Director of Motion Picture Council has been appointed.~~ "

I am also deleting Provisions 1, 2, and 3 from this item.

Item 2200-012-001·

I am deleting language from this item as follows:

"For support of Department of Commerce ; ~~Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200/001/001, available for encumbrance only between September 1, 1986 and September 7, 1986, if a qualified Executive Director of Motion Picture Council has been appointed.~~ "

I am also deleting Provisions 1, 2, and 3 from this itme.

Item 2200-013-001:

I am deleting language from this item as follows:

"For support of Department of Commerce ; ~~Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200/001/001, available for encumbrance only between September 8, 1986 and September 14, 1986, if a qualified Executive Director of Motion Picture Council has been appointed.~~ "

I am also deleting Provisions 1, 2, and 3 from this item.

Item 2200-014-001:

I am deletng language from this item as follows:

"For support of Department of Commerce ; ~~Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200/001/001, available for encumbrance only between September 15, 1986 and September 21, 1986, if a qualified Executive Director of Motion Picture Council has been appointed.~~ "

I am also deleting Provisions 1, 2, and 3 from this item.

Item 2200-015-001:

I am deleting language from this item as follows:

"For support of Department of Commerce ; ~~Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200/001/001, available for encumbrance only between September 22, 1986 and September 28, 1986, if a qualified Executive Director of Motion Picture Council has been appointed.~~ "

I am also deleting Provisions 1, 2, and 3 from this item.

Item 2200-016-001:

I am deleting language from this item as follows:

"For support of Department of Commerce ; ~~Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200/001/001, available for encumbrance only between September 29, 1986 and October 5, 1986, if a qualified Executive Director of Motion Picture Council has been appointed.~~ "

I am also deleting Provisions 1, 2, and 3 from this item.

Item 2200-017-001:

I am deleting language from this item as follows:

"For support of Department of Commerce ; ~~Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200/001/001, available for encumbrance only between October 6, 1986 and October 12, 1986, if a qualified Executive Director of Motion Picture Council has been appointed.~~ "

I am also deleting Provisions 1, 2, and 3 from this item

Item 2200-018-001:

I am deleting language from this item as follows:

"For support of Department of Commerce ; ~~Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200/001/001, available for encumbrance only between October 13, 1986 and October 19, 1986, if a qualified Executive Director of Motion Picture Council has been appointed.~~ "

I am also deleting Provisions 1, 2, and 3 from this item

Item 2200-019-001:

I am deleting language from this item as follows:

"For support of Department of Commerce ; ~~Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200/001/001, available for encumbrance only between October 20, 1986 and October 26, 1986, if a qualified Executive Director of Motion Picture Council has been appointed.~~ "

I am also deleting Provisions 1, 2, and 3 from this item.

Item 2200-020-001:

I am deleting language from this item as follows:

"For support of Department of Commerce ; ~~Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200/001/001, available for encumbrance only between October 27, 1986 and November 2, 1986, if a qualified Executive Director of Motion Picture Council has been appointed.~~ "

I am also deleting Provisions 1, 2, and 3 from this item.

Item 2200-021-001:

I am deleting language from this item as follows:

"For support of Department of Commerce ; ~~Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200/001/001, available for encumbrance only between November 3, 1986 and November 9, 1986, if a qualified Executive Director of Motion Picture Council has been appointed.~~ "

I am also deleting Provisions 1, 2, and 3 from this item.

Item 2200-022-001:

I am deleting language from this item as follows:

"For support of Department of Commerce ; ~~Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200/001/001, available for encumbrance only between November 10, 1986 and November 16, 1986, if a qualified Executive Director of Motion Picture Council has been appointed.~~ "

I am also deleting Provisions 1, 2, and 3 from this item.

Item 2200-023-001.

I am deleting language from this item as follows:

"For support of Department of Commerce ; ~~Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200/001/001, available for encumbrance only between November 17, 1986 and November 23, 1986, if a qualified Executive Director of Motion Picture Council has been appointed.~~ "

I am also deleting Provisions 1, 2, and 3 from this item.

Item 2200-024-001

I am deleting language from this item as follows:

"For support of Department of Commerce ; ~~Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200/001/001, available for encumbrance only between November 24, 1986 and November 30, 1986, if a qualified Executive Director of Motion Picture Council has been appointed.~~ "

I am also deleting Provisions 1, 2, and 3 from this item

Item 2200-025-001.

I am deleting language from this item as follows:

"For support of Department of Commerce ; ~~Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200/001/001, available for encumbrance only between December 1, 1986 and December 7, 1986, if a qualified Executive Director of Motion Picture Council has been appointed.~~ "

I am also deleting Provisions 1, 2, and 3 from this item

Item 2200-026-001.

I am deleting language from this item as follows

"For support of Department of Commerce ; ~~Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200/001/001, available for encumbrance only between December 8, 1986 and December 14, 1986, if a qualified Executive Director of Motion Picture Council has been appointed.~~ "

I am also deleting Provisions 1, 2, and 3 from this item.

Item 2200-027-001

I am deleting language from this item as follows:

"For support of Department of Commerce ; ~~Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200/001/001, available for encumbrance only between December 15, 1986 and December 21, 1986, if a qualified Executive Director of Motion Picture Council has been appointed.~~ "

I am also deleting Provisions 1, 2, and 3 from this item.

Item 2200-028-001

I am deleting language from this item as follows.

"For support of Department of Commerce ; ~~Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200/001/001, available for encumbrance only between December 22, 1986 and December 28, 1986, if a qualified Executive Director of Motion Picture has been appointed~~ "

I am also deleting Provisions 1, 2, and 3 from this item

Item 2200-029-001:

I am deleting language from this item as follows:

"For support of Department of Commerce ; ~~Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200/001/001, available for encumbrance only between December 29, 1986 and January 4, 1987, if a qualified Executive Director of Motion Picture Council has been appointed.~~ "

I am also deleting Provisions 1, 2, and 3 from this item.

Item 2200-030-001:

I am deleting language from this item as follows:

"For support of Department of Commerce ; ~~Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200/001/001, available for encumbrance only between January 5, 1987 and January 11, 1987, if a qualified Executive Director of Motion Picture Council has been appointed.~~ "

I am also deleting Provisions 1, 2, and 3 from this item.

Item 2200-031-001:

I am deleting language from this item as follows

"For support of Department of Commerce ; ~~Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200/001/001, available for encumbrance only between January 12, 1987 and January 18, 1987, if a qualified Executive Director of Motion Picture Council has been appointed~~ "

I am also deleting Provisions 1, 2, and 3 from this item.

Item 2200-032-001

I am deleting language from this item as follows

"For support of Department of Commerce ; ~~Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200/001/001, available for encumbrance only between January 19, 1987 and January 25, 1987, if a qualified Executive Director of Motion Picture Council has been appointed.~~ "

I am also deleting Provisions 1, 2, and 3 from this item

Item 2200-033-001:

I am deleting language from this item as follows:

"For support of Department of Commerce ; ~~Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200/001/001, available for encumbrance only between January 26, 1987 and February 1, 1987, if a qualified Executive Director of Motion Picture Council has been appointed.~~ "

I am also deleting Provisions 1, 2, and 3 from this item.

Item 2200-034-001.

I am deleting language from this item as follows:

"For support of Department of Commerce ; ~~Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200/001/001, available for encumbrance only between February 2, 1987 and February 8, 1987, if a qualified Executive Director of Motion Picture Council has been appointed.~~ "

I am also deleting Provisions 1, 2, and 3 from this item.

Item 2200-035-001:

I am deleting language from this item as follows

"For support of Department of Commerce ; ~~Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200/001/001, available for encumbrance only between February 9, 1987 and February 15, 1987, if a qualified Executive Director of Motion Picture Council has been appointed~~ "

I am also deleting Provisions 1, 2, and 3 from this item.

Item 2200-036-001·

I am deleting language from this item as follows:

"For support of Department of Commerce ; ~~Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200/001/001, available for encumbrance only between February 16, 1987 and February 22, 1987, if a qualified Executive Director of Motion Picture Council has been appointed.~~ "

I am also deleting Provisions 1, 2, and 3 from this item.

Item 2200-037-001:

I am deleting language from this item as follows:

"For support of Department of Commerce ; ~~Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200/001/001, available for encumbrance only between February 23, 1987 and March 1, 1987, if a qualified Executive Director of Motion Picture Council has been appointed.~~ "

I am also deleting Provisions 1, 2, and 3 from this item.

Item 2200-038-001.

I am deleting language from this item as follows·

"For support of Department of Commerce ; ~~Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200/001/001, available for encumbrance only between March 2, 1987 and March 8, 1987, if a qualified Executive Director of Motion Picture Council has been appointed.~~ "

I am also deleting Provisions 1, 2, and 3 from this item

Item 2200-039-001

I am deleting language from this item as follows:

"For support of Department of Commerce ; ~~Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200/001/001, available for encumbrance only between March 9, 1987 and March 15, 1987, if a qualified Executive Director of Motion Picture Council has been appointed.~~ "

I am also deleting Provisions 1, 2, and 3 from this item.

Item 2200-040-001

I am deleting language from this item as follows·

"For support of Department of Commerce ; ~~Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200/001/001, available for encumbrance only between March 16, 1987 and March 22, 1987, if a qualified Executive Director of Motion Picture Council has been appointed.~~ "

I am also deleting Provisions 1, 2, and 3 from this item

Item 2200-041-001

I am deleting language from this item as follows·

"For support of Department of Commerce ; ~~Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200/001/001, available for encumbrance only between March 23, 1987 and March 29, 1987, if a qualified Executive Director of Motion Picture Council has been appointed.~~ "

I am also deleting Provisions 1, 2, and 3 from this item

Item 2200-042-001.

I am deleting language from this item as follows·

"For support of Department of Commerce ; ~~Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200/001/001, available for encumbrance only between March 30, 1987 and April 5, 1987, if a qualified Executive Director of Motion Picture Council has been appointed.~~ "

I am also deleting Provisions 1, 2, and 3 from this item.

Item 2200-043-001:

I am deleting language from this item as follows

"For support of Department of Commerce ; ~~Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200/001/001, available for encumbrance only between April 6, 1987 and April 12, 1987, if a qualified Executive Director of Motion Picture Council has been appointed.~~ "

I am also deleting Provisions 1, 2, and 3 from this item

Item 2200-044-001.

I am deleting language from this item as follows.

"For support of Department of Commerce ; ~~Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200/001/001, available for encumbrance only between April 13, 1987 and April 19, 1987, if a qualified Executive Director of Motion Picture Council has been appointed.~~ "

I am also deleting Provisions 1, 2, and 3 from this item.

Item 2200-045-001:

I am deleting language from this item as follows.

"For support of Department of Commerce ; ~~Salaries of Exempt Positions Specified~~

~~in subdivision (a) of Provision 5 of Item 2200/001/001, available for encumbrance only between April 20, 1987 and April 26, 1987, if a qualified Executive Director of Motion Picture Council has been appointed.~~ "

I am also deleting Provisions 1, 2, and 3 from this item.

Item 2200-046-001:

I am deleting language from this item as follows.

"For support of Department of Commerce ; ~~Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200/001/001, available for encumbrance only between April 27, 1987 and May 3, 1987, if a qualified Executive Director of Motion Picture Council has been appointed.~~ "

I am also deleting Provisions 1, 2, and 3 from this item

Item 2200-047-001:

I am deleting language from this item as follows:

"For support of Department of Commerce ; ~~Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200/001/001, available for encumbrance only between May 4, 1987 and May 10, 1987, if a qualified Executive Director of Motion Picture Council has been appointed.~~ "

I am also deleting Provisions 1, 2, and 3 from this item.

Item 2200-048-001.

I am deleting language from this item as follows·

"For support of Department of Commerce ; ~~Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200/001/001, available for encumbrance only between May 11, 1987 and May 17, 1987, if a qualified Executive Director of Motion Picture Council has been appointed.~~ "

I am also deleting Provisions 1, 2, and 3 from this item

Item 2200-049-001

I am deleting language from this item as follows.

"For support of Department of Commerce ; ~~Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200/001/001, available for encumbrance only between May 18, 1987 and May 24, 1987, if a qualified Executive Director of Motion Picture Council has been appointed.~~ "

I am also deleting Provisions 1, 2, and 3 from this item

Item 2200-050-001:

I am deleting language from this item as follows

"For support of Department of Commerce ; ~~Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200/001/001, available for encumbrance only between May 25, 1987 and May 31, 1987, if a qualified Executive Director of Motion Picture Council has been appointed.~~ "

I am also deleting Provisions 1, 2, and 3 from this item.

Item 2200-051-001·

I am deleting language from this item as follows·

"For support of Department of Commerce ; ~~Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200/001/001, available for encumbrance only between June 1, 1987 and June 7, 1987, if a qualified Executive Director of Motion Picture Council has been appointed.~~ "

I am also deleting Provisions 1, 2, and 3 from this item

Item 2200-052-001:

I am deleting language from this item as follows.

"For support of Department of Commerce ; ~~Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200/001/001, available for encumbrance only between June 8, 1987 and June 14, 1987, if a qualified Executive Director of Motion Picture Council has been appointed.~~ "

I am also deleting Provisions 1, 2, and 3 from this item.

Item 2200-053-001:

I am deleting language from this item as follows:

"For support of Department of Commerce ; ~~Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200/001/001, available for encumbrance only~~

~~between June 15, 1987 and June 21, 1987, if a qualified Executive Director of Motion Picture Council has been appointed.~~"

I am also deleting Provisions 1, 2, and 3 from this item.

Item 2200-054-001:

I am deleting language from this item as follows:

"For support of Department of Commerce ; ~~Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200/001/001, available for encumbrance only between June 22, 1987 and June 30, 1987, if a qualified Executive Director of Motion Picture Council has been appointed.~~"

I am also deleting Provisions 1, 2, and 3 from this item.

Item 2240-001-001—For support of Department of Housing and Community Development. I reduce this item from $5,914,000 to $5,714,000 by reducing:

(a) 10—Codes and Standards Program from $18,949,000 to $18,749,000,

(b) 20—Community Affairs Program from $13,397,000 to $13,297,000,

and by eliminating.

(v) Amount payable from the Special Account for Capital Outlay (Item 2240-001-036) (−$100,000).

I am reducing this item by $200,000 to reflect the elimination of an augmentation for additional field staff for enforcement of the Employee Housing Act. The department currently uses 6 personnel years for field enforcement activities. In my budget for fiscal year 1986–87, I proposed to increase this to 7.9 personnel years, an increase of almost 30 percent. This proposed staffing level is adequate to meet the estimated workload for this activity and further augmentation has not been justified

I am eliminating the $100,000 payable from the Special Account for Capital Outlay for the support of the Rural Development Assistance Program (RDAP) in Nevada, Sierra, Sutter, Yuba and Butte Counties My budget contains approximately $735,000 and 5 7 personnel years to support this program In 1986–87 the department's Northern California office will be relocated and will provide direct service to Glen, Tehama, Butte and Yuba Counties Included in the department's budget is $100,000 for contract services in support of RDAP These existing funds can be used to assist other counties, including Nevada, Sierra, and Sutter, on a priority basis. Tidelands revenues for 1986–87 are down from an original estimate of over $400 million to less than $100 million. In light of the funding provided in my budget and the fact there are not sufficient tidelands revenues, I believe it is inappropriate to use these revenues for discretionary program expansions in RDAP.

Item 2240-001-036—For support of Department of Housing and Community Development I eliminate this item and delete Provision 1

I am eliminating this item to correspond to the action I have taken in Item 2240-001-001.

I am deleting Provision 1 to conform to this action.

"1. Funds appropriated by this item shall be expended for contracted services in Nevada, Sierra, Sutter, Yuba, and Butte counties for the Rural Development Assistance Program established pursuant to Section 50507 of the Health and Safety Code. The contracted services shall be with regional nonprofit entities that are currently working in or have access to the area, and that have experience in providing and will under the contract provide comprehensive housing and community development services. Up to one-half of the contracted services shall be for community economic development services."

Item 2240-101-036—For local assistance, Department of Housing and Community Development. I eliminate this item.

I am eliminating the $4,500,000 augmentation and associated language which would provide $2,000,000 for the Farmworker Housing Grant Program and $2,500,000 for the development of additional farm labor camps. My budget already provides $2,500,000 for the Farmworker Housing Grant Program and $4,200,000 for the operation of 25 farm labor camps In addition, I signed legislation last year, Chapter 967, Statutes of 1985, which provided $1,400,000 for the development of additional farm labor camps. Further, I believe it is inappropriate to use tidelands revenues for discretionary program expansions in these areas

I am deleting Provisions 1 and 2 to conform to this action.

"1. Of the amount appropriated by this item, $2,000,000 shall be available for transfer by the Controller to the Farmworker Housing Grant Fund (927) "

"2 Of the amount appropriated by this item, $2,500,000 shall be expended for development of farm labor camps pursuant to Section 50710 of the Health and Safety Code, provided that no more than $600,000 may be expended for migrant housing which provides a parking space for travel trailers and vehicles for migrant farmworkers and minimum facilities such as water and utility hookups, laundries, and lavatories, and provided that not more than 3 percent of the amount may be transferred to category (b) of Item 2240-001-001 administrative costs "

Item 2240-101-843—For local assistance, Department of Housing and Community Development I reduce this item from $14,000,000 to $9,000,000 by eliminating

(a) (1) Rental Housing Construction Program ($5,000,000),

and by deleting

Provision 2

I am eliminating the $5 million provided in this item for the Rental Housing Construction Program. In my January budget I proposed this item at $20 million, of which $10 million was for rental housing construction However, due to the drop in oil prices, the estimated revenue from the State's tidelands dropped from over $400 million to less than $100 million This drop in revenues required that reductions in program funding be made In the May Revision, I proposed to reduce this item to $10 million by eliminating funding for rental housing construction That action constituted only a 50 percent reduction although revenues had dropped by 75 percent That proposal still provided $10 million to meet the more urgent housing needs Since the revenue forecast has not improved, I must now reduce this item to conform to my proposed May Revision My budget still provides $3 4 million to allow the Rental Housing Construction Program to continue.

I am deleting Provision 2 to conform to this action

"2 Of the funds appropriated in this item for the Rental Housing Construction Program, up to 50 percent may be transferred to the Housing Rehabilitation Loan Fund to be used for Deferred Payment Rehabilitation Loans "

Item 2240-111-036—For local assistance, Department of Housing and Community Development. I eliminate this item

I am eliminating this $500,000 augmentation from the Special Account for Capital Outlay which would provide support for the Rural Facilities Technical Assistance Program Of the $73 million in the department's budget for local assistance, over 50 percent will go for assistance to small cities and rural areas Further, my Rural Renaissance Program will provide $8 million in additional funding to meet the unique needs of rural areas

Tidelands revenues are down from original estimates of over $400 million to less that $100 million In light of the funding discussed above and the fact there are not sufficient tidelands revenues, I believe it is inappropriate to use these revenues to fund discretionary programs

Item 2240-121-001—For local assistance, Department of Housing and Community Development I eliminate this item and delete Provisions 1, 2, 3 and 4

I am eliminating this $13 million augmentation for various housing programs because other funding is provided in my budget

This augmentation would provide $6 million for the Emergency Shelter Program (ESP) My budget provides $4 million for ESP from the California Housing Trust Fund

This augmentation would provide $4 5 million for Deferred Payment Rehabilitation Loans. My budget provides $4.9 million for high priority rehabilitation programs. This includes $1 million for Farm Labor Housing Rehabilitation, $1 4 million for Deferred Payment Rehabilitation Loans, and $2.5 million for Special User Housing Rehabilitation for the elderly and handicapped

This augmentation would provide $1 million for the Rental Housing Construction Program (RHCP) My budget provides $3 4 million for RHCP

This augmentation would provide $1.5 million for the Rural Rental Assistance

Program. Effective use of these funds requires that Federal funding be available from the Farmers Home Administration. From all indications these Federal funds will be very limited in 1986–87. Also, my budget provides assistance to rural areas from several sources. Twenty percent of all funds appropriated from the California Housing Trust Fund ($2 million) must be used in rural areas. Of the $35 6 million expected in Community Development Block Grant funds, approximately $20 6 million will go to small cities and rural areas Finally, my Rural Renaissance Program will provide $8 million to meet the unique needs of rural areas.

I am deleting Provisions 1 through 4 to conform with this action

"1 Of the amount appropriated by this item, $6,000,000 shall be for transfer to the Emergency Housing and Assistance Fund, to be encumbered pursuant to Chapter 11 (commencing with Section 50800) of Part 2 of Division 31 of the Health and Safety Code Notwithstanding any other provision of law, up to 50 percent of these funds may be used for the cost of operations "

"2. Of the amount appropriated by this item, $4,500,000 is for transfer to the Housing Rehabilitation Loan Fund to be used for Deferred Payment Rehabilitation Loans."

"3. Of the amounts appropriated by this item, $2,500,000 is for the transfer to the Rental Housing Construction Fund, provided that up to $500,000 may be transferred to the Housing Rehabilitation Loan Fund to be used for Deferred Payment Rehabilitation Loans, and that $1,500,000 shall be expended for the Rural Rental Assistance Program "

"4 Notwithstanding any other provision of law, up to 3 percent of the funds appropriated by this item may be transferred to category (b) of Item 2240-001-001 for personnel or contracted services."

Item 2290-001-217—For support of Department of Insurance

I am approving legislative augmentations totalling $1,050,000 and 22.8 personnel years to enable the department to increase consumer services to the public The funds will provide for additional staff to respond to consumer complaints and to increase claims examinations of insurance companies, the establishment of toll-free telephone access lines to the department, and the publication and distribution of consumer information pamphlets to the public

Item 2660-001-042—For support of Department of Transportation. I reduce this item from $854,992,000 to $854,286,000 by reducing:

(b) Highways from $1,014,120,000 to $1,013,414,000,

(b) (8) 20.80 Maintenance from (443,828,000) to (443,122,000)

and by deleting·

Provisions 4, 5, 6, 7, 9, 10, 11, 12 and 13

I am eliminating the $700,000 and 17.7 personnel years legislative augmentation. This augmentation was added to increase the level of staff available for snow removal activities. However, the department has taken alternative action to increase resources available for snow removal. Additionally, the department is revising its operating procedures to ensure that snow removal staff are in place at mountain maintenance stations in time to meet future snow emergencies.

I am deleting Provision 9 to conform to this action.

"9 The augmentation of $700,000 shall be used by the Department to hire 50 permanent/intermittent employees during the winter season to be stationed in mountain areas to maintain snow removal equipment and to clear snow from the highways."

I am also deleting Provision 10 to conform to this action.

"10 The Department shall, to the maximum extent possible, discontinue its policy of utilizing permanent on-call employees for snow removal activities."

Provision 10 constitutes interference in the management of an Executive Branch department Furthermore, the department has already eliminated its use of permanent on-call employees for snow removal work. Therefore, it is both unnecessary and inappropriate.

I am eliminating $1,000 which would be required to perform a study of the department's snow removal activities, as specified in Provision 11. The information requested by Provision 11 is speculative and of a nature that requires analytical

resources not possessed by the department.

I am deleting Provision 11 to conform to this action.

"11. The Director shall report to the Legislature and the Legislative Analyst by April 1, 1987, on the result of the Department's redirection of 21 personnel-years to snow removal activities and its increase of 31 personnel-years for cash overtime. The report shall take into account: (a) cost effectiveness; (b) quality of service; (c) lost revenue and taxes resulting from necessary and unnecessary road closures; (d) management issues, such as employee morale; and (e) equipment maintenance needs."

I am eliminating $1,000 which would be required to perform a study on the effectiveness of contracting for highway maintenance and project development work While a portion of the information requested would be relatively simple to produce, the information related to the volume of work accomplished is likely to be misleading because of the unique characteristics of each highway maintenance and project development task. Furthermore, nothing in this provision provides any form of budget control; therefore, it is inappropriate to include it in the Budget.

I am deleting Provision 4 to conform to this action

"4. The Director shall report to the Chairman of the Joint Legislative Budget Committee and the chairman of the fiscal committees by December 15, 1986, on the effectiveness of contracting and the department's experience since 1984–85 The report shall include, but not be limited to, the following information: (1) the appropriated amounts and actual amounts spent for contracting in the 1984–85 and 1985–86 fiscal years for identified activities in highway maintenance and project development, and (2) the volume of work accomplished in each category of activities and the personnel-year equivalent of this work, had the department performed the work using its own staff"

I am eliminating $1,000 which would be required to perform a study to implement SCR 59. Accounting for funds is an administrative matter which must be handled by management. The Department of Transportation, in conjunction with the Department of Finance, began a review of State Highway Account accounting in January 1986 and I expect to receive final recommendations for change by early 1987. Thus, the study proposed in Provision 5 is duplicative and unnecessary.

I am deleting Provision 5 to conform to this action.

"5 Of the funds appropriated in this item, an amount not to exceed $150,000 may be used to contract with the Legislative Analyst for purposes of contracting for a study pursuant to SCR 59 of the 1985–86 Regular Session to identify alternatives to accrual methods of accounting for State Highway Account funds; the impact of such alternatives on project programming, budgeting, and accounting procedures, and to make recommendations on prudent changes in the management of the state resources supporting the State Highway Program which would minimize the accumulation of large appropriated and unappropriated balances in the State Highway Account"

I have taken the opportunity to review the Legislature's action on the contracting-out proposals which I initiated to encourage the development of innovative alternatives to traditional State operations with the intent of increasing the efficiency of the delivery of services to the public Although many of my proposals were adopted by the Legislature, the contracting-out proposal which would have allowed the Department of Transportation to contract for project development work was not accepted. In reviewing the basis for the Legislature's action, I have determined that this proposal continues to be an appropriate opportunity to contract out. I am, therefore, eliminating the budget control language added by the Legislature which would require the passage of additional legislation before the department could use more than one-quarter of the $21 million added to the budget for contracting for project development work. Existing provisions of the Government Code and Streets and Highways Code provide sufficient authority to engage in the proposed contracts.

I am also deleting Provision 6 to conform to this action

"6. Of the amount appropriated by this item, $5,250,000 may be expended in the first quarter of fiscal year 1986–87 for contracting out the equivalent of 66.75 personnel years of project development work consistent with existing law.

0 9 40 0

After the first quarter, $15,750,000 shall be expended to employ up to 203.75 personnel years of departmental staff to perform project development work, or may be expended for contracting out the equivalent of 203.75 personnel years if and only if legislation is enacted providing the department with clear contracting authority for this work."

I am eliminating $1,000 which would be required to perform a semi-annual report on the contracting of project development work. The information requested in this language, such as an assessment of "the potential and ease to contract with the private sector" is necessarily subjective, and is therefore not appropriate for inclusion in the Budget

I am deleting Provision 7 to conform to this action.

"7. The department shall report on December 31, 1986, and semiannually thereafter, on its contracting experience Information reported shall include, but not be limited to, the types and amount of project development work contracted and an assessment of the potential and ease to contract with the private sector on a continuous basis."

I am eliminating $1,000 which would be required to perform a system analysis of the State Route 61 Corridor. The department operates a comprehensive Trasportation Planning Program which evaluates highway needs on a statewide basis. State Route 61, like all other highway needs, should be addressed through this comprehensive program. To provide separate and specialized consideration of one highway route would be inequitable to all others and would pose a bad precedent. Furthermore, the department intends to participate in a study of the Route 61 Corridor in conjunction with Alameda County, the Cities of Oakland and Newark, and other jurisdictions affected The purpose of the study will be to assess the best method of determining the location of Route 61 and protecting its right-of-way from extensive development. Given this action, as well as the existence of a formal Transportation Planning Program, the study requested in Provision 12 is unnecessary.

I am deleting Provision 12 to conform to this action.

"12. Of funds appropriated in this item, up to $800,000 from the State Highway Account shall be available to the Department to perform a detailed system analysis of the State Route 61 Corridor between State Route 84 in Newark and I-580 in Albany."

I am eliminating $1,000 which would be required to provide a report to the Legislature on the department's guidelines on the use of overtime. Overtime is an effective means for maintaining transportation project schedules and accommodating fluctuating workloads. In the Highway Transportation Program overtime enables project development staff to take advantage of the extended daylight available in summer and accelerate project completion. Overtime is also a key resource for maintenance staff who must often work long hours to clear highways after storms. The prudent allocation of overtime in order to meet such needs is proper and reasonable.

I am deleting Provision 13 to conform to this action.

"13. No funds allocated for Capital Outlay Support overtime shall be expended in such a way that any employee receives overtime payments in excess of three months in any one year, except for employee overtime payments made for the duration of flood, fire, or other similar emergency. The Director shall report to the Legislature by September 1, 1986 on its guideline on the use of overtime in Capital Outlay Support."

Item 2660-051-001—For transfer to the Transportation Planning and Development Account, State Transportation Fund, Department of Transportation. I reduce this item from $55,000,000 to $35,000,000.

I am reducing this item by $20,000,000. This reduction will retain a General Fund transfer to the Transportation Planning and Development Account (TP&D) which is sufficient to fund all Transit Capital Improvement projects which were originally proposed in the Budget it is also consistent with the level of General Fund impact which was estimated when SB 300 (Chapter 1600, Statutes of 1985) was enacted. Moreover, although this action is likely to reduce the level of transit subsidies available through the State Transit Assistance (STA) program, transit districts will receive approximately $584,000,000 in transit subsidies through the Local Transportation Fund

during 1986–87, an increase of $37 million over 1985–86. Furthermore, I am sustaining budget control language which would appropriate any additional TP&D revenues for STA. Therefore, California's transit districts should have sufficient resources to continue to provide effective transit services during 1986–87.

Item 2660-301-042—For Capital Outlay, Department of Transportation. I delete Provision 5.

Provision 5 of this item is inconsistent with the existing procedures for planning and funding transportation projects. These procedures constitute the State Transportation Improvement Program (STIP), which is developed and updated on an annual basis by the Department of Transportation in conjunction with California's regional transportation planning agencies, and adopted by the California Transportation Commission The STIP procedures, as authorized by the Government Code, ensure that all prospective transportation projects are evaluated equitably and that funding priorities reflect statewide needs. This language provides for specialized funding treatment for a particular project. Sustaining this language would set an undesirable precedent by encouraging others to seek special consideration for particular projects. Therefore, I am deleting Provision 5

"5 When the existing Moorpark Maintenance Station in Ventura County is sold, proceeds from the sale may be used to construct a new maintenance station."

Item 2660-301-890—For Capital Outlay, Department of Transportation I delete Provisions 6 and 7.

I am deleting Provision 6

"6. Of the $100,000,000 in State Highway Account funds included in this item specifically to replace federal funds in order to maintain existing commitments in the 1985 State Transportation Improvement Program, no funds may be expended until 30 days after notification to the Legislature by the Director of Transportation of the intent to expend the funds Notification shall be made to the chairpersons of the Joint Legislative Budget, the Assembly Transportation, and the Senate Transportation committees"

This provision is unnecessary and would not be operative if it remained in the budget because it applies only to State Highway Account funds There are no State Highway Account funds in this item. I am, however, retaining Provision 6 in Item 2660-301-042 where it will have the effect intended by the Legislature

I am also deleting Provision 7.

"7. Provisions 7 to 9, inclusive, of Item 2660-301-042 shall also be applicable to this item."

Provisions 7 to 9, inclusive, of Item 2660-301-042 refer only to State Highway Account funds Since there are no State Highway Account funds in this item, this language would not be operative. I am, however, retaining Provisions 7 to 9 in Item 2660-301-042 where they will have the effect intended by the Legislature.

Item 2720-001-044—For support of Department of the California Highway Patrol I reduce this item from $467,057,000 to $466,997,000 by reducing

(a) 10—Traffic Management from $430,264,000 to $430,204,000,

and deleting Provision 2.

I am eliminating the legislative augmentation of $60,000 to fund a cellular phone pilot project because the purpose and scope of the study have not been adequately defined and I am unable to substantiate the need for the pilot project or the benefits to be derived. The budget includes $10 1 million for telecommunciation equipment. Included in this amount is $7.5 million for the first year of a 3-year replacement project of mobile enforcement radios. Because this replacement effort to upgrade the mobile radios is underway and will significantly improve the California Highway Patrol telecommunication network, there appears to be no need to further increase funding in this area.

I am also deleting Provision 2 to conform to this section.

"2. The Department of the California Highway Patrol shall report to the Legislature on or before November 1, 1986, on the effectiveness of using cellular phones in the department's vehicles"

Item 2720-301-044—For capital outlay, Department of California Highway Patrol. I

delete Provision 4.

Provision 4 of this item is not necessary as the information requested by this provision has already been provided to the Committee and can be supplemented should further questions exist. Therefore, I am deleting Provision 4.

"4. On or before September 1, 1986, the California Highway Patrol shall submit a report to the Chairperson of the Joint Legislative Budget Committee which details why the budget estimate for the Golden Gate facility, as approved by the Public Works Board, did not include an adjustment for inflation."

Item 2740-001-044—For support of Department of Motor Vehicles I reduce this item from $233,229,000 to $233,193,000 by reducing:

(b) Operating Expenses and Equipment from $100,936,260 to $100,734,000,

and by eliminating.

(h) Amount payable from the Financial Responsibility Penalty Account (Item 2740-001-487) ($166,260),

and by deleting Provision 4.

I am eliminating the legislative augmentation of $166,260 payable from the Financial Responsibility Penalty Account (Item 2740-001-487) to fund an uninsured motorist victim study because the purpose and scope of the study have not been adequately defined and I am unable to substantiate the need or potential benefit of the study.

I am eliminating the legislative augmentation of $35,000 to fund a lease for a new facility in the Simi Valley area. Local offices of the Department of Motor Vehicles are established in new areas on a priority basis determined by a needs study. It is my understanding that the office for Simi Valley has been designated as a priority as a result of the normal review process. Therefore, I see no reason to alter the rankings and move this office to a higher priority.

I am eliminating $1,000 which would be required to perform a management study. It is unclear what the management study would accomplish and the cost of conducting a zero-based budget analysis may out-weigh the benefits derived because the bulk of the department's workload is mandated by legislation and determined by the number of vehicles and drivers operating in California

I am also deleting Provision 4 to conform to this action.

"4. The Director, in preparing the 1987–88 budget request, shall require managers to compare, evaluate, and rank existing programs and activities (base expenditures) against new programs, and alternative ways of achieving objectives. In meeting this requirement, the Department shall participate in a management study to be performed by an outside contractor. The Director shall select, with the approval of the Directors of Finance and General Services, a qualified contractor, having knowledge and experience in (a) state organizations and operations, (b) state fiscal and budget practices, and (c) zero-based budgeting techniques, to perform the management study The Request for Proposal shall be reviewed by the Chairs of the Joint Legislative Budget Committee, the fiscal committees, and the policy committees prior to its release. The cost of the contract shall not exceed $200,000. The Director shall include in the requirements of the contract that a report be provided to the Legislature from the contractor by December 15, 1986."

Item 2740-001-487—For support of Department of Motor Vehicles. I eliminate this item.

I am eliminating this item to correspond to the action I have taken in Item 2740-001-044.

Item 2740-301-044—For capital outlay, Department of Motor Vehicles. I delete Provisions 2 and 3

I am deleting Provision 2 pertaining to the Upland field office because, in limiting how the Director of General Services may assign resources regarding internal workload distribution, prudent management principles would be violated.

"2. Project design for the proposed new facility in category (9) shall be administered through the Office of Project Development and Management in the Department of General Services rather than through the Office of the State Architect."

I am also deleting Provision 3 because I believe that establishment of this reporting requirement is not necessary. Current administrative procedures provide appropriate authority to monitor this project in accordance with legislative intent, and legislative staff can be apprised of any necessary augmentations.

"3 The Director of Motor Vehicles shall notify the Chairperson of the Joint Legislative Budget Committee 30 days prior to any augmentation for the Fullerton project included in Category (1)."

Item 3380-001-001—For support of the California Waste Management Board I reduce this item from $4,355,000 to $4,305,000 by reducing.

(b) 300000—Operating Expenses and Equipment from $1,378,000 to $1,328,000.

I am eliminating a $50,000 legislative augmentation to fund a study of used tire disposal in the State The Board already has $515,000 in its baseline budget for studies and other contracts. The Board is provided latitude in the expenditure of these funds and if a used tire study is necessary, the Board has sufficient resources to fund such a study from within its baseline budget.

Item 3400-001-001—For support of State Air Resources Board I reduce this item from $5,990,000 to $5,940,000 by reducing·

(b) 20—Environmental Affairs from $1,229,000 to $1,179,000,

and by deleting Provision 4

I am eliminating the $50,000 legislative augmentation for the voluntary registration of environmental assessors, as proposed in SB 1875 I believe that this augmentation should be considered as part of the pending legislation

I am also deleting Provision 4 to conform with this action

"4 Of the amount appropriated by category (b), $50,000 shall be available for expenditure only if Senate Bill No. 1875 of the 1985–86 Regular Session is chaptered."

Item 3400-101-044—For local assistance, State Air Resources Board. I reduce this item from $9,011,000 to $7,511,000 by reducing:

(b) 500005—Special Grants from $2,000,000 to $500,000,

and by revising Provision 1

I am reducing $1,500,000 of the $2,000,000 legislative augmentation for the Special Grants Program I am retaining $500,000 to be available for grants to rural districts. Given the priorities for funding with the limited available resources, I believe it is important that local districts seek to maximize their fee-setting authority. In addition, the State Air Resources Board should investigate the possibility of restructuring the subvention program in order to provide a larger share of the funds to the smaller districts This would compensate them for their lower revenue-producing ability which results from their smaller population base

I am also revising Provision 1 to conform with this action as follows:

"1 Of the funds appropriated by this item, ~~$2,000,000~~ *$500,000* in category (b) shall be available for special grants, to be allocated by the State Air Resources Board in accordance with the following criteria.

a. The State Air Resources Board shall develop guidelines to administer this special grants program, including criteria for awarding grants to local districts, in consultation with the local air pollution control districts Activities fundable under this program shall include, but not be limited to:
   (i) Assessing waste-to-energy projects.
   (ii) Monitoring and controlling landfill emissions.
   (iii) Emissions inventory.
   (iv) Assessing toxic risks and planning to prevent accidental and routine emissions.
   (v) Small business assistance.
   (vi) Environmental impact report assessments
   (vii) Other stationary and mobile source pollution control activities.

b $500,000 ~~of the $2,000,000 available for this special grants program~~ shall be set aside to fund grants submitted by rural districts. ~~Amounts not awarded to rural districts shall be made available to other districts.~~

~~c. $1,500,000 of the $2,000,000 available for this special grants program shall be available to all local districts. Project awards shall be granted on the basis of~~

~~priorities as set forth in the guidelines developed by the State Air Resources Board, in consultation with local air pollution control districts.~~

d. In order to qualify for a special grant, a district shall have a fee system in place which recovers the cost of administering the air pollution control program for major air pollution sources (that is, those sources that produce 100 tons per year or more) in the district."

Item 3540-001-001—For support of Department of Forestry I reduce this item from $196,226,000 to $196,001,000 by reducing:

(b) 300000—Operating expenses and equipment from $86,987,000 to $86,762,000, and by deleting Provision 5.

I am eliminating the $225,000 legislative augmentation for a spare helicopter. Currently, the Department of Forestry has nine UH-1F helicopters which it uses in its firefighting activities. My budget contains $241,000 from the General Fund to make an additional tenth helicopter available for the Department's firefighting activities. This helicopter will be stationed in southern Monterey County, which is the only remaining area in the State which does not have a helicopter available to respond to a fire within the 30 minute response time standard established by the Department of Forestry and the Federal Government In addition, I have retained a $75,000 General Fund augmentation made to Item 3540-301-001 in order to provide funding for the preliminary plans and working drawings that must be completed prior to construction of the base for the tenth helicopter. However, in contrast to the documented need for this tenth helicopter, there is no demonstrated need for the spare helicopter added by the Legislature. Consequently, I am eliminating the $225,000 legislative augmentation and deleting Provision 5 to conform with this action:

"5. The $225,000 appropriated by this item for a spare helicopter shall not be encumbered or expended sooner than 30 days after notification in writing to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may determine."

Item 3540-301-001—For capital outlay, Department of Forestry. I reduce this item from $500,000 to $75,000 by reducing

(1) 30.30.075—Lonoak Helitack Base—preliminary plans, working drawings and construction, from $500,000 to $75,000

I am reducing this item to $75,000 to fund preliminary plans and working drawings only for a helitack base in southern Monterey County The construction phase funding is deleted because there is neither reasonable assurance that the appropriation level is correct nor the prospect of bid documents being completed during 1986–87 Funding for repair of the helicopter to be stationed at this base is included in Item 3540-001-001 The helicopter will be stationed temporarily at an existing facility, but future deployment to this new facility will assure improved response time in southern Monterey County.

Item 3600-001-140—For support of Department of Fish and Game I reduce this item from $10,897,000 to $10,272,000,
and by deleting Provision 3

I am eliminating the $75,000 legislative augmentation for a study of the impacts of temporary summer recreational dams on Austin Creek in Sonoma County The full costs of this study should more appropriately be borne by those who are preparing to construct the dams

I am also deleting Provision 3 to conform with my action.

"3 None of the funds appropriated by the item for the use of Sonoma County to contract for a study of the temporary dams placed on Austin Creek shall be expended until the Director of Fish and Game determines that local sources have committed from nonstate funds 25 percent of the total project costs "

I am approving $500,000 of a $1,000,000 augmentation for continued support of the Department of Fish and Game's stream flow assessment program as provided in Chapter 1259, Statutes of 1985. My action is consistent with the level of funding contained in Chapter 1259/85.

I am also eliminating the $50,000 legislative augmentation to complete the

construction of the Suisun Marsh Wildlife Rehabilitation and Education Building because the need for this augmentation has not been clearly established.

These actions reduce the amount payable from this item to Item 3600-001-200.

Item 3600-001-200—For support of Department of Fish and Game. I change this item by reducing:

(b) 300000—Operating Expenses and Equipment from $45,426,000 to $44,801,000,

(f) Amount payable from the California Environmental License Plate Fund (Item 3600-001-140) from −$10,897,000 to −$10,272,000.

I am reducing $625,000 from the amount payable from the California Environmental License Plate Fund to reflect the following: 1) elimination of an augmentation of $75,000 to study the impacts of temporary summer recreational dams constructed on Austin Creek, 2) reduction of $500,000 of a $1,000,000 augmentation for the stream flow assessment program provided by Chapter 1259/85; and 3) elimination of $50,000 to complete the construction of the Suisun Marsh Wildlife Rehabilitation and Education Building. I am reducing these augmentations to correspond to the actions taken in Item 3600-001-140.

Item 3680-001-001—For support of Department of Boating and Waterways. I reduce this item from $615,000 to $260,000.

I am eliminating the $355,000 legislative augmentation for Beach Erosion Control Studies because funding is not available to provide for both these studies and other higher priority projects. These studies may be considered for funding in future years if sufficient resources are available. I am approving $3,670,000 in Item 3680-111-890 for Beach Erosion Control projects to provide for public health and safety improvements as well as recreational enhancement.

Item 3680-001-516—For support of Department of Boating and Waterways. I change this item by reducing:

(b) Operating Expenses and Equipment from $1,680,000 to $1,325,000, and

(f) Amount payable from the General Fund from −$615,000 to −$260,000.

I am reducing this item by $355,000 from the amount payable from the General Fund to correspond to my action taken in Item 3680-001-001.

Item 3720-101-001—For local assistance, California Coastal Commission. I reduce this item from $280,000 to $0 by reducing:

(a) 10—Coastal Management Program from $671,000 to $391,000

I am eliminating the $280,000 legislative augmentation because sufficient funding for local coastal planning assistance is provided through an increase in the level of federal funds I am approving an increase of $291,000 in Item 3720-101-890 to provide for a total of $391,000 for this purpose.

Item 3760-301-730—For capital outlay, State Coastal Conservancy I reduce this item from $23,850,000 to $22,850,000 by eliminating:

(8) 80 18 022—Malibu Canyon, $600,000 and

(9) 80.18.023—Ballona Creek Living Museum, $400,000, and deleting Provision 9.

I am eliminating the Malibu Canyon project because a companion appropriation in Item 3790-301-722 (7.7) of $1,900,000 from the Parklands Fund of 1984 was not ranked within the first priority for acquisitions from that fund by the Department of Parks and Recreation and is being vetoed for that reason. Without the added $1.9 million, this appropriation is not viable.

I am eliminating the $400,000 appropriation for the Ballona Creek Living Museum because similar funding is being carried in AB 3253. I prefer that bill as the vehicle for this funding because it provides better opportunity to make clear the State's role in the living museum project.

As a conforming action, I am deleting the related Provision 9.

"9. It is the intent of the Legislature that the State Coastal Conservancy Fund of 1984 be repaid for expenditures related to the Malibu Canyon within three years of this appropriation from any available funding source, but with first priority for repayment being funding available to the State Department of Parks and Recreation, including, but not limited to, any future Bond Act Funds."

Item 3790-001-001—For support of Department of Parks and Recreation I reduce

this item from $79,587,000 to $79,507,000 by reducing:

(a) 100000—Personal Services from $96,163,000 to $95,761,000,

(b) 300000—Operating Expenses and Equipment from $40,339,000 to $40,171,000,

(c) Reimbursements from −$9,014,000 to −$8,524,000,

and deleting Provisions 2 and 3.

The net effect of my actions is to reduce this item by $80,000 to reflect the following actions

I am eliminating the legislative augmentation of $60,000 in operating expenses for the continuing support of the California Agricultural Museum. It is inappropriate for the State to continue this funding for the non-profit organization to operate this museum for a third year, particularly since the organization was to be raising nonstate matching funds for the construction of the museum, and that matching requirement for the construction was eliminated by the Legislature

I am reducing the $75,000 legislative augmentation for the purchase of an airplane for Anza Borrego Desert State Park to $55,000 to reflect the reduction of 1.5 personnel years and $20,000 savings that will result from the increased operational efficiency in the patrol of the park unit

I have taken the opportunity to review the Legislature's action on my contracting-out proposals, which I initiated to encourage the development of innovative alternatives to traditional State operations with the intent of increasing the efficiency of the delivery of services to the public. Although many of my proposals were adopted by the Legislature, the contracting-out proposal which would have allowed the Department of Parks and Recreation to realize the expertise of the private sector related to general plans and resource inventories was not accepted In reviewing the basis for the Legislature's action, I have determined that this proposal continues to be an appropriate opportunity to contract-out I am, therefore, eliminating the 10 personnel years added by the Legislature and will use the related funds to contract these services.

I am also deleting Provisions 2 and 3 which are duplicative of existing administrative procedures and policies and, therefore, are not necessary.

"2. Of the amount appropriated by this item, $496,000 shall be available for an automated inventory system, but shall not be available for expenditure until the Department of Finance, Office of Information Technology, has approved a feasibility study report on the system If the cost of the alternative approved by the Department of Finance is less than $496,000, the difference between the amount approved and $496,000 shall revert to the General Fund.

3. Of the amount appropriated by this item, $137,000 shall be available for a computer-aided drafting/design system, and the department shall submit to the Legislature with its 1987–88 budget request a report including all of the following information. (1) the level of increased output the Graphic Services Unit has achieved as a result of the installation of a computer-aided drafting/design system, and (2) the projected workload and staffing needs in the Graphic Services Unit over the next five years "

Item 3790-011-001—For support of Department of Parks and Recreation I eliminate this item.

I am eliminating this item in the amount of $66,000 for operating expenses for Seccombe Lake State Urban Recreation Area. AB 3984, which is before the Legislature, would require that the Department of Parks and Recreation enter into a new operating agreement with the City of San Bernardino for the next five years for the shared cost of operation and maintenance of Seccombe Lake SURA The first year costs of the proposed agreement should be contained in AB 3984.

Item 3790-101-140—For local assistance, Department of Parks and Recreation.

I am approving the augmentation of $105,000 for a local assistance grant for the Great Valley Natural History Museum because this is a one-time need for capital improvements and no additional State funding will be required for this project.

Item 3790-101-722—For local assistance, Department of Parks and Recreation. I reduce this item from $38,474,000 to $38,224,000 by reducing (d) from $3,419,000 to $3,169,000 by reducing·

(d) (24) City of San Diego, Balboa Park Administration Building from $300,000 to

$150,000,
and by eliminating:

(d) (28.5) City of Benicia, Clocktower Fortress—Repair/Renovate Roof and Ceiling, $100,000

I am eliminating the legislative augmentation of $150,000 for a local assistance grant to the City of San Diego because the available allocation under the 1984 Bond Act for 1986–87 was not sufficient to fund all recommended projects at the requested level After this reduction, the City of San Diego will still receive a grant of $150,000 to cover the essential preservation work on this building.

I am eliminating the legislative augmentation of $100,000 for the local assistance grant in Solano County for the City of Benicia because this project failed to compete favorably in the 1986–87 competitive bond allocation process under the California Park and Recreational Facilities Act of 1984

Item 3790-101-733—For local assistance, Department of Parks and Recreation. I reduce this item from $1,960,000 to $150,000 by eliminating:

(1) County of Los Angeles, Hollywood Bowl, Additions, $1,400,000,

(2) City of Kingsburg, Swimming Pool, $400,000.

I am also eliminating $10,000 from the item total as a technical adjustment.

I am eliminating the legislative augmentation of $1,400,000 for the County of Los Angeles because the funding for this project is contained in SB 2320. Administration support for SB 2320 should not be construed by this action.

I am eliminating the legislative augmentation of $400,000 for the City of Kingsburg because this project should be submitted through the State competitive grant process so that it can be reviewed and evaluated in the context of competing needs for this fund source.

Item 3790-101-742—For local assistance, Department of Parks and Recreation I reduce this item from $2,631,000 to $1,101,000 by eliminating:

(3) City of Downey—Wilderness Park, Fish Habitat Enhancement, $25,000,

(4) City of Downey—Wilderness Park, Shoreline Stabilization, $25,000,

(6) City of Piedmont, Dracena Quarry Park, Development, $192,000,

(7) County of Riverside, Chinatown Archaeological Project, Acquisition, $213,000,

(9) City of San Francisco, Kezar Stadium renovations, $475,000,

(10) County of Santa Cruz, Quail Hollow Ranch, Acquisition, $600,000.

I am eliminating the $1,530,000 legislative augmentation for these six local assistance projects because they should be submitted through the State competitive grant process for review and evaluation

Item 3790-301-263—For capital outlay, Department of Parks and Recreation

I delete Provision 2

Provision 2 attached to the Hungry Valley State Vehicular Recreation Area (SVRA) project to prepare an Off-Highway Vehicle (OHV) Fair site and access road in Quail Canyon is premature Development of the access and utilities are significantly affected by the required Peace Valley Flood Channel now in preliminary design by the Department of Water Resources for Quail Lake of the State Water Project The Off-Highway Motor Vehicle Recreation Commission must also approve the Quail Canyon development as required under the Public Resources Code Section 5090.24(e).

Since the Hungry Valley Fair is a function of the 51st District Agricultural Association, the Department of Parks and Recreation should coordinate the development of Quail Canyon with the Association Requests to fund the OHV Fair site and access road are considered high priority and should be submitted when the above issues are resolved. Therefore, I am deleting Provision 2

"2. Priority in the expenditure of funds appropriated in category (1) for the Hungry Valley SVRA shall be given to preparation of the OHV Fair Site and access road in Quail Canyon. No more than 50 percent of the funds may be expended on other portions of the Hungry Valley SVRA until the OHV Fair Site in Quail Canyon is completed."

Item 3790-301-392—For capital outlay, Department of Parks and Recreation. I reduce this item from $5,671,000 to $5,039,000 by reducing.

(2) 90.AC.400—Old Sacramento SHP, Engineering Building Site—Acquisition from $1,292,000 to $660,000.

I am reducing the appropriation for Old Sacramento SHP, Engineering Building Site-acquisition by $632,000 which will allow the acquisition of the 2 parcels proposed in the Governor's Budget.

Item 3790-301-721—For capital outlay, Department of Parks and Recreation. I reduce this item from $4,205,000 to $3,205,000 by reducing.

(3) 90.E4 400 862—Chino Hills SP—Rimpau and Astro Group—acquisition from $1,350,000 to $450,000,

and by eliminating.

(4) 90.IT.400—Hopetown Property—acquisition, $100,000,

and deleting Provision 1.

I am reducing the $1,350,000 legislative augmentation for Chino Hills SP acquisition by $900,000 to $450,000 which will provide sufficient funding to acquire the former 120 acre Brown property (now owned by the Astro Group). Funding for the remaining Rimpau property may be requested in the 1987–88 budget process because an option on that property is in effect during 1986–87.

I am deleting Provision 1 as a conforming action.

"1 Funds appropriated in category (3) for acquisition as additions to Chino Hills State Park shall be encumbered subject to the following conditions:

(a) The property (commonly known as Rimpau), approximately 450 acres, shall be acquired by the Department of Parks and Recreation

(b) The property (commonly known as Astro Group (Brown)), 120 acres, shall be acquired by the Department of Parks and Recreation

(c) If the Department of Parks and Recreation does not acquire the parcels by March 30, 1987, then the funds that would have been available for the acquisition of the property are reappropriated for the acquisitions of properties known as Shell-Brea-Olinda, Chevron, Lamb, or any other high-priority parcel."

I am eliminating the $100,000 augmentation for Hopetown property acquisition because there are unfunded higher priority parkland acquisition proposals in the State and this region.

Item 3790-301-722—For capital outlay, Department of Parks and Recreation. I reduce this item from $41,874,000 to $38,402,000 by reducing:

(34) 90.CO.100—Wilder Ranch SP—Phase II Historic Restoration from $1,223,000 to $1,133,000,

by eliminating.

(3.2) 90.6F.100—Angel Island SP—Tiburon Land Base Improvements, $500,000,

(6 7) 90.95.100—Little Franks Tract—Storm Damage Repair, $982,000,

(7 7) 90.EX.400—Malibu Creek SP—Malibu Canyon acquisition, $1,900,000,

and deleting Provisions 2 and 4.

The net effect of my actions is the reduction of $3,472,000 as follows:

I am approving $490,000 in category (6) Design and Construction Planning to be used for general plan and resource element contracting to obtain the expertise of the private sector (Refer to Item 3790-001-001.)

I am eliminating the $90,000 legislative augmentation for Wilder Ranch Phase II Historic Restoration because these funds are not necessary based on the most recent cost estimate for this project.

I am eliminating the $982,000 legislative augmentation for Little Franks Tract—storm damage repairs because it is an additional, substantial commitment of the total $5 million of 1984 Bond funds allocated for storm damage repairs. I have previously approved two appropriations totaling $1 million from 1984 Bond funds for this project. I am also concerned about the need for local participation in the operation and maintenance of this project.

I am eliminating the $1,900,000 legislative augmentation for Malibu Canyon acquisition because this fund source has limited reserves and has been recommended for higher priority projects through the statutory project nomination process

I am eliminating the $500,000 legislative augmentation for Angel Island SP—Tiburon Land Base improvements because this project should be submitted for

consideration during the normal budget process.

I am deleting Provision 2 because it is inappropriately placed in the Department of Parks and Recreation item:

"2. Of the amount appropriated in Category (7) for acquisition of Malibu Creek State Park, $232,000 shall be allocated by the Santa Monica Mountains Conservancy for improvements to the Hunter Ranch project pursuant to Section 13, Chapter 1616, Statutes 1982, and an interagency agreement between the Department of Parks and Recreation and the Conservancy."

I am also deleting Provision 4 because it constitutes an infringement upon existing statutory authority to administer a capital outlay project.

"4. Notwithstanding any other provisions of law, neither the State Public Works Board nor the Department of Finance shall authorize any augmentations of the amount appropriated in category (12) other than augmentations for increases in the construction cost index from July 1, 1986."

Item 3790-301-784—For capital outlay, Department of Parks and Recreation I eliminate this item and delete Provision 1.

I am eliminating the $900,000 legislative augmentation because the funding is proposed from a non-existent bond fund. Further, no bill to place such a bond measure before the voters has been endorsed by this Administration In the event a bond act is approved by the electorate to provide funds for projects such as the Hopetown property acquisition, the projects should be submitted for review and evaluation through the annual budget process.

As a conforming action, I am deleting Provision 1

"1. No funds appropriated in category (1) shall be expended unless and until an equal amount of matching funds is provided from a source other than the Department of Parks and Recreation. The Department of Parks and Recreation shall expend no funds for the development of recreational vehicle facilities at the Hopetown site prior to 30 days advance written notification to the chairpersons of the legislative fiscal committees, including the Joint Legislative Budget Committee."

Item 3810-001-001—For support of Santa Monica Mountains Conservancy I reduce this item from $348,000 to $248,000 by reducing

(b) 300000—Operating Expenses and Equipment from $301,000 to $201,000

I am reducing $100,000 from the General Fund to correspond with my action in Item 3810-011-941.

Item 3810-011-941—For support of Santa Monica Mountains Conservancy.

I am changing this item to eliminate the use of the augmentation of $100,000 for security services. This requirement for security services is in AB 2688 which would be the proper means to appropriate first year costs However, Administration support for AB 2688 should not be construed by this action. Elimination of this requirement for security services and my action on Item 3810-001-001 will assure that sufficient funding from the Santa Monica Mountains Conservancy Fund is available for the Conservancy's support budget.

As a conforming action, I am deleting Provision 1.

"1. It is the intent of the Legislature that $100,000 of the funds appropriated by this item shall be used for enhanced security for properties owned or managed by the Conservancy. It is further the intent of the Legislature that (1) the Department of General Services approve the necessary interagency agreements in an expeditious manner and (2) personnel be added as necessary to provide security services, rather than be redirected from other activities."

In addition, I am revising Provision 2 as a conforming action.

"2. Funds appropriated from the Santa Monica Mountains Conservancy Fund pursuant to this act shall be used in the following priority order.

(a) ~~$211,000 appropriated by this item~~ for support of the conservancy during the 1986-87 fiscal year.

~~(b) $100,000 appropriated by this item for security on lands owned or managed by the conservancy during the 1986/87 fiscal year~~

(c) The unexpended balance of any capital outlay appropriations from the Santa Monica Mountains Conservancy Fund that remain effective in the

1986–87 fiscal year."

Item 3810-101-140—For local assistance, Santa Monica Mountains Conservancy. I eliminate this item and delete Provision 1.

I am eliminating the lump-sum legislative augmentation of $1,000,000 for non-profit grants because it would commit a substantial amount from a funding source which is to be administered by the Resources Agency based on individual project review during the regular budget process

As a conforming action, I am deleting Provision 1

"1 No grants shall be encumbered in advance of approval of nonprofit organization grants by the Department of General Services and reporting of such grants to the Department of Finance pursuant to Section 33204.2 of the Public Resources Code."

Item 3810-301-784—For capital outlay, Santa Monica Mountains Conservancy I eliminate this item by deleting appropriations for

(1) 20.10 015 861—Appraisals, project planning and design for Inner Valley Ranch acquisition, $15,000,

(2) 20 10 210—Inner Valley Ranch—acquisition $1,985,000, and

(3) 20 10.220—Runyon Canyon project—acquisition, $2,000,000,

and deleting Provision 1

No bond act exists to fund these appropriations, and no bill to place such a bond measure before the voters has been endorsed by this Administration Therefore, these augmentations, totaling $4,000,000, are not appropriate and are premature In the event a bond act comes to fruition, these projects should be submitted for review and evaluation through the annual budget process

As a conforming action, I am deleting Provision 1

"1 No funds appropriated in category (2) for the Inner Valley Ranch Project shall be expended unless and until the City of Glendale provides matching funds Prior to the expenditure of funds appropriated in category (2) for the Inner Valley Ranch Project, the City of Glendale shall agree to provide full operation and maintenance of the property."

Item 3810-301-941—For capital outlay, Santa Monica Mountains Conservancy I eliminate this item and delete Provision 1

I am eliminating this item in the amount of $232,000 for Hunter Ranch improvements because Chapter 1616, Statutes of 1982, which requires the Hunter Ranch improvements, stated that no appropriation was made in the legislation becuase the act was "in accordance with the request of a local agency or school district which desired legislative authority to carry out the program specified in this act."

I am deleting Provision 1 as a conforming action

"1. Funds appropriated in category (1) are for improvements to the Hunter Ranch project pursuant to Section 13, Chapter 1616, Statutes of 1982, and an interagency agreement between the Department of Parks and Recreation and the Santa Monica Mountains Conservancy. The Santa Monica Mountains Conservancy, acting through its executive director, shall be the lead agency in the development and approval of facilities at Hunter Ranch pursuant to Section 13, Chapter 1616, Statutes of 1982, and the executive director of the Conservancy shall certify environmental documents pursuant to the California Environmental Quality Act."

Item 3860-001-140—For support of Department of Water Resources I reduce this item from $450,000 to $150,000

I am eliminating the $300,000 legislative augmentation to reflect the elimination of an augmentation for the Urban Creeks Restoration Program I believe that the $150,000 already contained in the budget for this purpose is sufficient to fund high priority projects, particularly in light of the other proposals competing for funding from the Environmental License Plate Fund

Item 3860-101-890—For local assistance, Department of Water Resources I eliminate this item

I am eliminating the $300,000 legislative augmentation for levee repair work in the Chico Landing to Red Bluff area because there is insufficient Federal Section 8(g)

Outer Continental Shelf Revenues available to fund this project. The Federal Section 8(g) settlement provided California with $338 million during Fiscal Year 1986–87, which is less than was expected and has now been fully committed. In addition, I believe that funding for the levee repair work should be pursued through the normal budgetary process, with the responsible entity applying for any available disaster relief funding through the Office of Emergency Services.

Item 3860-301-890—For capital outlay, Department of Water Resources I delete Provisions 5, 6 and 7

Provisions 5, 6 and 7 are not related to any projects appropriated in this item. Furthermore, the California Environmental Quality Act has established adequate safeguards to be met prior to construction of the type foreseen by these provisions. Therefore, I am deleting Provisions 5, 6 and 7.

"5. Any assurance agreement signed by the Reclamation Board and the United States Army Corps of Engineers for snagging and clearing work on the San Joaquin River shall include a plan for financing all of the required mitigation, including the objective of new long-term enhancement, as provided in Chapter 1530 of the Statutes of 1984. This financing plan shall establish whether federal, state, and/or local funds and resources shall be used to pay for each cost associated with providing the required mitigation, as set forth above, the amount that each source will be responsible for providing, and a schedule establishing when these funds and resources are to be made available.

The assurance agreement shall also provide that the required mitigation work, where possible, shall proceed concurrently with the project implementation The Director of the Department of Water Resources shall certify the adequacy of this financing plan. The certified financing plan shall be transmitted to the Legislature at least 30 days prior to any assurance agreement being signed

The Department of Fish and Game shall monitor and report to the Legislature on the implementation and effectiveness of the mitigation plan.

6 (a) Any assurance agreement entered into between the Secretary of the Army and the Reclamation Board for the Chico Landing to Red Bluff project shall provide for full mitigation of the impacts of the project on riparian habitat, wildlife, and fisheries

(b) Prior to entering into the assurance agreement, the Reclamation Board shall enter into an agreement with the Department of Fish and Game that will provide for full mitigation of the impacts of the project on riparian habitat, wildlife, and fisheries. This agreement shall, at a minimum, provide for the approval of the Department of Fish and Game of the mitigation plan's design, implementation, and effectiveness

(c) The assurance agreement shall also provide for the implementation and funding of the measures specified in the agreement between the Department of Fish and Game and the Reclamation Board

7. The Department of Water Resources shall provide, at the time of the release of the final environmental impact report for the Chico Landing to Red Bluff Project, a detailed plan for funding the suggested mitigation measures contained in the environmental impact report"

Item 3940-001-001—For support of the State Water Resources Control Board I reduce this item from $35,621,000 to $35,571,000 by reducing:

(a) 10—Water Quality from $63,305,000 to $53,864,000,

(i) Amount payable from the Surface Impoundment Assessment Account, General Fund (Item 3940-001-482) from −$3,457,000 to −$1,929,000

and by eliminating:

(l) Amount payable from the General Fund (Item 3940-012-001) (−$7,698,000),

(n) * Amount payable from the General Fund (Item 3940-014-001) (−$2,708,000), and

(o) Amount payable from the California Environmental License Plate Fund (Item 3940-001-140) (−$165,000),

and by deleting Provisions 1 and 4.

* Technical correction not included in total.

0 15 10 0

I am reducing this item by $50,000 to reflect the following actions.

I am eliminating baseline funding of $1,528,000 payable from the Surface Impoundment Assessment Account and 28.6 personnel years to reflect reduced workload in the Toxic Pits Program. The Board's baseline resources in the Toxic Pits Program were predicated on the receipt of more than 1,000 Hydrogeological Assessment Reports (HARs) from pits owners To date, the Board has received less than 200 HARs and does not anticipate receiving many more until the proactive program for which we have added $600,000 General Fund and 12 personnel years is implemented I am reducing this subitem to correspond to Item 3940-001-482.

I am eliminating $7,698,000 payable from the General Fund (Item 3940-012-001) and 158 personnel years for a State-only oversight program of the cleanup of leaking underground tanks I submitted a proposal to the Legislature to appropriate funding from a 1986 Toxics Bond Measure which my Administration has proposed on the November 1986 ballot This bond measure would provide $200 million for various programs recommended by my task force which recently completed its report on toxics and waste management in the State Of these funds, $45 million were intended to provide a base of $15 million per year for three years to fund local agency oversight of these leaking tanks Local agencies are currently permitting, monitoring and enforcing various permit conditions concerning these tanks I am committed to this program and my proposal, to be amended into pending legislation SB 712, will provide local governments the money needed for implementation I am reducing this subitem to correspond to Item 3940-012-001

I am eliminating the legislative augmentation of $50,000 from the General Fund to study the disposal and management of mine tailings in the State Two other State agencies, the Department of Conservation and the Department of Health Services, are also impacted by any study concerning mine tailing disposal I am instructing these two agencies and the Board, who among them have millions of dollars in their baseline budgets for studies and contracts, to conduct this study within their baseline funding I am also deleting Provision 4 to conform to this action

"4 Of the funds provided in this item, $50,000 shall be for a study of the management, disposal regulation, and cleanup of mine tailings in California. The State Water Resources Control Board shall not encumber any of this $50,000 until the mining industry provides 100 percent matching funds for this study."

I am eliminating schedule (n) payable from the General Fund (Item 3940-014-001) (−$2,708,000) This is a technical correction to an error in this bill as submitted

I am eliminating the legislative augmentation of $165,000 payable from the Environmental License Plate Fund for a study of toxic pollution in San Diego Bay The Board has $11 7 million in its baseline budget for studies and contracts If this proposed study is necessary to resolve a priority water quality problem, the Board can use its baseline funding to support such a study I am reducing this subitem to correspond to Item 3940-001-140

Provision 1 would have the Board updating all waste discharge orders on a 3 and 5 year schedule as opposed to its current 3, 5, and 10 year schedule No resources were provided for this accelerated program. In addition, according to the Board, there is questionable benefit to water quality resulting from redirecting resources to this accelerated program Therefore, I am deleting Provision 1 to conform to this action.

"1 The State Water Resources Control Board shall revise its schedule for updating waste discharge requirements so that these requirements for (1) discharges that pose an immediate or major threat to public water supplies, water contact recreation or fish and aquatic habitats will be updated once every three years and (2) discharges that pose an immediate and major threat to industrial and/or agricultural water supplies and discharges that pose a significant threat to beneficial uses of water will be updated once every five years."

Item 3940-001-140—For support of the State Water Resources Control Board. I eliminate this item and delete Provision 1.

I am eliminating this item to conform to my action regarding a study of toxic pollution in San Diego Bay on Item 3940-001-001 This eliminates the amount payable from this item to Item 3940-001-001

I am deleting Provision 1 to conform to this action

0 15 30 0

"1. Funds appropriated by this item shall be used for a study of toxic pollution in San Diego Bay Funds appropriated by this item shall not be encumbered or expended sooner than 30 days after the board submits an expenditure plan, in writing, to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the Chairperson of the Joint Committee, or his or her designee, may determine."

Item 3940-001-482—For support of the State Water Resources Control Board I reduce this item from $3,457,000 to $1,929,000

I am reducing this item by $1,528,000 and 28.6 personnel years to conform to my action regarding the toxic pits program on Item 3940-001-001 This reduces the amount payable from this item to Item 3940-001-001.

Item 3940-012-001—For support of State Water Resources Control Board I eliminate this item and delete Provision 1.

I am eliminating this item in the amount of $7,698,000 to conform to my action regarding underground tank cleanup oversight on Item 3940-001-001 This eliminates the amount payable from this item to Item 3940-001-001

I am also deleting Provision 1 to conform to this action

"1. The State Water Resources Control Board may use any portion of the amount appropriated by this item for contracts with local agencies for cleanup oversight or related enforcement activities The state board shall adopt guidelines and procedures which accomplish all of the following (1) specifying requirements for the contents of contract proposals to insure that there is statewide consistency in program implementation, including investigation and enforcement activities and cleanup standards, (2) assuring that the cost of contracting does not exceed the cost of direct state program implementation, and (3) assuring that the costs incurred by the state board and local agencies are recovered from the responsible parties to the maximum extent possible "

Item 4120-101-001—For local assistance, Emergency Medical Services Authority I reduce this item from $954,000 to $863,000 and revise Provision 1.

I am reducing this item by $91,000 to eliminate a legislative augmentation of $50,000 to support the Inland Emergency Medical Services (EMS) Agency and to reduce $41,000 from a legislative augmentation to support the Northern California EMS Agency. With this action, I am approving a legislative augmentation in the amount of $109,000 which will provide additional local assistance funds for each of the North Coast, Northern California, and Sierra-Sacramento EMS Agencies My action will provide a total of $2.5 million in local assistance funding ($863,000 in General Funds and $1,685,000 in Federal Funds) to support local EMS agencies

I am also revising Provision 1 to conform to this action.

"1. Of the amount appropriated by this item, up to $50,000 in additional funds shall be allocated to each of the ~~Inland,~~ North Coast, Northern California, and Sierra-Sacramento Emergency Medical Services Agencies, in accordance with guidelines for state-funded grants to local agencies established by the Emergency Medical Services Authority The remaining portion of the ~~$200,000~~ *$109,000* which is not allocated to these agencies shall revert to the General Fund."

Item 4140-001-001—For support of Office of Statewide Health Planning and Development. I change this item by reducing:

(b) 300000—Operating Expenses and Equipment from $11,979,000 to $11,978,000,

(d) Amount payable from the Hospital Building Account, Architecture Public Building Fund (Item 4140-001-121) from −$14,226,000 to −$14,225,000

and deleting Provisions 7 and 8

I am eliminating $1,000 payable from the Hospital Building Account (Item 4140-001-121) which would be required to officially notify the Legislature on various aspects of the Seismic Safety Program. I am also deleting Provision 7 to conform to this action.

"7. The Office of Statewide Planning and Development shall continuously monitor the number of days it utilizes to process plan reviews in the seismic

safety program. If the average time for the completion of a project plan review exceeds eight weeks during any 30-consecutive-day period, the office shall submit to the Department of Finance, within 15 days, a request to spend at a rate that would result in a deficiency pursuant to Section 27.00 of this act or a plan to reduce the average plan review time to eight weeks within one month If, after one month from the date of submission of a plan the average review time is not at or below eight weeks, the office shall submit, within 15 days, a deficiency request In addition, the office shall gather for use in the 1987–88 fiscal year budget such worker productivity data as is necessary to quantify, update, and revise the staffing standards for the professional positions of the seismic safety program "

This provision would have required the Office to submit a deficiency appropriation if the average time for completion of project plan review exceeds eight weeks during any 30 consecutive-day period and to gather data to validate assumptions of worker productivity for use in its 1986–87 budget request Section 27 of the Budget Act provides for notification of a deficiency Therefore, I see no need for this language

While I am also deleting the language pertaining to gathering data to validate the workload, I am directing the Office to comply with the intent of the language. The staffing study and subsequent analysis indicate that there are currently no staffing standards on which to evaluate an appropriate level for this program. Given the intense interest in this program from both the industry and the Legislature, I believe that it would be prudent to validate the staffing standards

I am deleting Provision 8, added by the Legislature, that would prohibit expenditure of funds for the director's salary

"8 Except as provided in this provision, no funds appropriated by this act or available from any other source shall be expended for the payment of the salary of the Director of the Office of Statewide Health Planning and Development after October 1, 1986, nor shall the person holding that position on April 1, 1986, be entitled to any compensation from any source appropriated by this act for the support of the Office of Statewide Health Planning and Development or for any program administered by the office after October 1, 1986

The Director of Finance may authorize the payment of the salary of the Director of the Office of Statewide Health Planning and Development for the period October 1, 1986, through June 30, 1987, not sooner than 15 days after notification in writing to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee As part of the notification, the office shall clearly indicate the significant remedial actions that have been taken to improve and will continue to improve the administration and operation of the office Specifically, the office shall demonstrate that

(a) The office has made significant efforts to fill the 33 additional positions authorized by this act for seismic safety review activity This shall be demonstrated by a report showing the number of positions filled as of August 31, 1986, the number vacant, and a proposal for the timely filling of remaining vacancies,

(b) The office has instituted procedures to continuously monitor the number of days it utilizes to process plan reviews in the seismic safety program using workload standards contained in the report entitled "Evaluation of Workload and Staffing for the Seismic Safety Program," and

(c) The office has developed a plan by September 1, 1986, assuring that there will be sufficient staff and resources to produce statutorily required publications

The office shall continuously monitor the number of days it utilizes to process plan reviews in the seismic safety program and shall report monthly to the Legislature, within 60 days of the end of the month, regarding accomplishments of the program relative to the workload standards cited above "

This provision would have prohibited the expenditure of funds for the Director's salary past October 1, 1986 unless the Director of Finance certified that the office

complied with certain requirements. Government Code Section 11552 provides for the annual salary of department directors. This language makes a substantive change to that Section As such, I believe that separate legislation would be a more appropriate mechanism to make a policy change of this type.

Item 4140-001-121—For support of Office of Statewide Health Planning and Development. I reduce this item from $14,226,000 to $14,225,000.

I am reducing this item by $1,000 to conform to my action on Item 4140-001-001

Item 4140-101-001—For local assistance, Office of Statewide Health Planning and Development for Health Professions Development (Family Physician Training) I reduce this item from $3,380,000 to $2,880,000, and delete Provision 2

I am eliminating the $500,000 legislative augmentation to provide funds to increase the number of family physicians trained to meet the health care needs of the aged

The proponents of this augmentation suggest that by increasing the number of family physicians that there should be primary care savings If this is true, the expenditure of this additional sum of money, absent any action to correct the factors the proponents believe to be the cause of the problem, will be ineffectual I believe that the proponents of this program could achieve their goal through mechanisms that permit the marketplace to allocate resources and contain costs I am deleting Provision 2 to conform with this action.

"2. Of the funds appropriated in this item, the office shall allocate $272,000 for competitive awards to increase the number of family physicians trained to meet the expanding health care needs of the aged These funds shall be allocated by the Health Manpower Policy Commission which shall, in allocating the funds, focus on geriatric family medicine, geriatric cross-cultural medicine, predoctoral geriatric education, and family medicine education

Of the funds appropriated in this item, the office shall also allocate $114,000 for two new three-year residency positions in rural hospitals and $114,000 for two new three-year residency positions in inner city hospitals In allocating the funds, the office shall give special attention to the need for training in geriatric family medicine."

Item 4170-001-001—For support of Department of Aging I reduce this item from $4,886,000 to $4,868,000 by reducing:

(d) 40—Special Projects from $4,254,000 to $4,217,000,

(g) Reimbursements from −$1,300,000 to −$1,281,000

I am eliminating the $37,000 ($18,000 General Fund and $19,000 Reimbursements) legislative augmentation and one position for the Multipurpose Senior Services Program (MSSP) because I believe this legislative augmentation would result in an overstaffing in the program. The personnel years in this program have increased by 98 percent since 1983–84

Item 4170-101-001—For local assistance, Department of Aging I reduce this item from $31,061,000 to $29,704,000 by reducing.

(c) 30—Supportive Services and Centers (for match) from $26,318,000 to $26,061,000,

(d) 40—Special Projects from $26,049,000 to $24,949,000,

and by deleting Provisions 4 and 5

I am eliminating the $257,000 legislative augmentation from Supportive Services and Centers which was provided to backfill the Gramm-Rudman-Hollings (GRH) federal reduction because I believe that local resources could be used to offset this reduction. In addition, there is some flexibility within the Older Americans Act to enable redirection of excess funds from other programs to Supportive Services and Centers This is consistent with my policy not to backfill Federal reductions in most programs with General Fund. However, I am making an exception to backfill $396,000 in this item in lost GRH federal funds for the Nutrition Program in order to maintain the current level of meals provided to the elderly.

I am also reducing $1,100,000 from Special Projects as follows·

I am reducing $50,000 of the $100,000 legislative augmentation for the Senior Companion and $50,000 of the $100,000 augmentation for the Foster Grandparent Volunteer programs The remaining $50,000 for each program represents an increase

of 18.5 percent.

I am eliminating the $1,000,000 augmentation for the Adult Day Health Care (ADHC) Program, which would provide six ADHC pilot projects for victims of HTLV III (AIDS), because the budget contains $1.5 million for Community Support Block Grants which provides for pilot projects in such areas as: Home Health Care, Attendant Care, and Hospice Care. The budget also provides $1.0 million for Skilled Nursing Facility pilot projects for victims of AIDS and ARC (AIDS Related Condition). These pilot projects are intended to ascertain the need and use of health care outside of the hospital setting for AIDS victims. Therefore, any further augmentation is premature until these pilot projects are evaluated. I am deleting Provision 4 to conform with this action:

"4. The department shall allocate $1,000,000 to establish six pilot projects for adult day health care for people with HTLV-III infection in San Francisco, Los Angeles, Orange, Alameda, San Diego, and Santa Clara Counties."

In addition, I am deleting Provision 5 which would authorize an augmentation in the Multipurpose Senior Services Program. This language is not necessary since the program is fully funded in 1986–87.

"5. The Director of Finance is hereby authorized to augment the General Fund appropriation by the amount necessary to match any additional federal funds which become available to the state's MSSP program as a result of an expanded Title XIX waiver. The director shall notify the Legislature of any such augmentation through the process outlined in Section 28.00."

Item 4200-001-001—For support of Department of Alcohol and Drug Programs. I change this item by reducing:

(a) 10—Alcohol Program from $5,704,000 to $5,549,000,

(f) Payable from the Federal Trust Fund (Item 4200-001-890) from −$3,014,000 to −$2,859,000.

I am eliminating a legislative augmentation of $155,000 payable from the Federal Trust Fund (Item 4200-001-890) which restored 2 positions (1.9 PY) to monitor SSI/SSP activities for the Alcohol Program.

This activity provides no direct State benefit, is not legislatively mandated, and can be contracted out by the Federal government with no State fiscal or program impact.

The discontinuation of the State's involvement in the SSI referral and monitoring process for the Alcohol Program will reflect a level of involvement consistent with the Drug Program. I am also taking conforming action in Item 4200-001-890. This reduction is consistent with my action in Items 4200-101-001 and 4200-101-890 where I eliminated a legislative augmentation of $872,000 in Federal funds.

Item 4200-001-890—For support of Alcohol and Drug Programs. I reduce this item from $3,014,000 to $2,859,000.

I am eliminating a legislative augmentation of $155,000 for this item to conform to the action taken in Item 4200-001-001 to eliminate funding for the SSI/SSP monitoring positions. This action reduces the amount payable from this item to Item 4200-001-001.

This reduction is consistent with my action in Items 4200-101-001 and 4200-101-890 where I eliminated a legislative augmentation of $872,000 in Federal funds.

Item 4200-101-001—For local assistance, Department of Alcohol and Drug Programs. I reduce this item from $74,873,000 to $71,795,000 by reducing:

(a) 10—Alcohol Program from $49,304,000 to $48,432,000,

(b) 20—Drug Program from $62,138,000 to $59,060,000,

(d) Amount payable from the Federal Trust Fund (Item 4200-101-890) from −$31,689,000 to −$30,817,000,

and by deleting Provisions 4, 5, and 6.

I am reducing this item by $3,078,000 to reflect the following actions:

The elimination of the $62,000 augmentation by the Legislature for a drug prevention video. The Budget proposes $64.6 million for Drug Program Services. The funds are available on a block grant basis for counties to fund their selected priority service needs. In addition, $300,000 in one-time Audit Repayment Trust Funds will be available in FY 1986–87 through a Request for Proposal (RFP) process to fund special projects including media outreach efforts. This special request should be evaluated and funded based on county priorities and within the existing block grant allocation

or through the proposed RFP process I am also deletmg Provision 5 in this item as a conforming action.

"5. Of the amount provided for in schedule (b), $62,000 shall be available for a drug prevention video to be produced by the Department of Alcohol and Drug Programs in coordination with the Department of Education Receipt of these funds is contingent upon a corresponding local match of $62,000 "

I am eliminating $3 million that the Legislature added in local assistance funds for AIDS services for drug abusers. These service needs should be prioritized by the counties and paid for from within their existing block grant allocation for local alcohol and drug program services

As a conforming action, I am deletmg Provision 6 which requires that 50 percent of the funds be given to Los Angeles, 30 percent to San Francisco, 10 percent to Alameda, 4 percent to Santa Clara, 4 percent to San Mateo, and 2 percent to Contra Costa

"6 Of the amount appropriated in this item for AIDS prevention, intervention, and treatment programs, funds shall be disbursed to counties according to a formula based on the number of reported AIDS cases and the number of substance abuse treatment slots as follows Los Angeles—50 percent, San Francisco County—30 percent, Alameda County—10 percent, Santa Clara County—4 percent, San Mateo County—4 percent, and Contra Costa County—2 percent "

I am also eliminating the $16,000 legislative augmentation provided for Santa Clara County to address its PCP problem This augmentation would create an inequity by providing one county a funding advantage and would circumvent the established block grant formula allocation process. This special request should be evaluated and funded based on county priorities and within the existing block grant allocation I am also deletmg Provision 4 as a conforming action

"4 Of the amount provided for in schedule (b) $16,000 shall be available for Santa Clara County to address its PCP problem Receipt of these funds is contingent upon a corresponding county match of $16,000."

Further, I am eliminating a legislative augmentation of $872,000 provided to restore county subvention funds which are passed through the Department of Alcohol and Drug Programs to local agencies for the Alcohol Program

This activity provides no direct State benefit, is not legislatively mandated, and can be contracted out by the Federal government with no State fiscal or program impact.

The discontinuation of the State's involvement in the SSI referral and monitoring process for the Alcohol Program will reflect a level of involvement consistent with the Drug Program. I am also taking conforming action in Item 4200-101-890.

This reduction is consistent with my action in Items 4200-001-001 and 4200-001-890 where I eliminated a legislative augmentation of 2 positions and $155,000 for SSI/SSP monitoring activities.

Item 4200-101-890—For support of Department of Alcohol and Drug Programs. I reduce this item from $31,689,000 to $30,817,000

I am eliminating the $872,000 legislative augmentation for this item to conform to the action taken in Item 4200-101-001 to eliminate federal funds which are passed through the Department of Alcohol and Drug Programs to county local agencies This action reduces the amount payable from this item to Item 4200-101-001

This reduction is consistent with my action in Items 4200-001-001 and 4200-001-890 where I eliminated a legislative augmentation of 2 positions and $155,000 for SSI/SSP monitoring activities

Item 4260-001-001—For support of Department of Health Services I reduce this item from $129,903,780 to $126,434,780 by reducing:

(a) *100000—Personal Services from $174,598,464 to $172,723,464,

(b) 300000—Operating Expenses and Equipment from $132,581,036 to $129,206,036,

(e) Amount Payable from the Hazardous Waste Control Account, General Fund (Item 4260-001-014) from —$27,979,200 to —$27,283,200,

(j) Amount payable from the Hazardous Substance Clean Up Fund (Item 4260-001-710) from —$5,989,000 to —$5,988,000,

(k) Amount payable from the Federal Trust Fund (Item 4260-001-890) from

—$95,135,850 to —$94,664,850,

(p) Amount payable from the California Environmental License Plate Fund (Item 4260-001-140) from —$150,000 to $0,

(q) Health Facilities Financing Assistance Fund (Item 4260-001-810) from —$388,000 to $0,

and delete Provisions 5, 8, 9, 11, 14, 15, 16, 20, 22, 23, 25, 26, 27, 28, 29, 33, 35, 36, 38, 39, and 40 and revise Provision 31.

* Includes technical correction of $75,000 with no change to the appropriations.

I am reducing the personal services category by $75,000 to compensate for a technical error in the Budget Act. This reduction will ensure that the schedules balance with the appropriations

I am eliminating the $31,000 legislative augmentation from this item and $22,000 from subsidiary items and 7.3 personnel years which restores positions associated with contracting out for security guard services.

I have taken the opportunity to review the Legislature's action on my contracting-out proposals, which I initiated to encourage the development of innovative alternatives to traditional State operations with the intent of increasing the efficiency of the delivery of services to the public. Although many of my proposals were adopted by the Legislature, the contracting-out proposal, which would have allowed the Department of Health Services to realize cost savings related to security services, was not accepted. In reviewing the basis for the Legislature's action, I have determined that this proposal continues to be an appropriate opportunity to contract-out. I am, therefore, eliminating the $53,000 legislative augmentation and 7.3 personnel years added by the Legislature and will use the related funds to contract these services

I am reducing a legislative augmentation of $154,000 and 2.9 personnel years in this item which was added to perform state inspections of animal research laboratories. This augmentation provides contingent funding for the program proposed in SB 1405. I question the need for this State oversight and I believe the funding for this program should be contained in the bill.

I am eliminating the $19,000 in this item and the $75,000 payable from the Federal Trust Fund (Item 4260-001-890) added by the Legislature. My budget proposed that the department contract for specialized services for a portion of the medical review function and reduce State staff to reflect this shift of workload. The Legislature restored the 2 positions and augmented for contracted services. I do not believe these additional resources are necessary and I am eliminating the legislative action and returning the budget to the level which I proposed in January.

I am eliminating a legislative augmentation of $89,000 and 1 8 personnel years in this item which restores funding for two occupational therapy consultants for the California Children's Services program. This program has existed for nearly 40 years. State involvement in administering the program at the local level has declined as the counties have acquired their own expertise. The department identified these positions as non-critical staff. The positions remained vacant for a long period of time without a significant program impact. The department's oversight responsibilities will not be jeopardized.

I am eliminating a legislative augmentation of $23,000 and 0.9 personnel years which reinstates funding and a position associated with the Department of Health Services' anticipated savings due to the increased utilization of the Family Planning automated claims processing system. The department is in the process of converting an existing automated program for claims processing and anticipates the availability of the system early in the fiscal year The need for human resources for this process is reduced due to the speed and efficiency of automation

I am reducing this item by $33,000 and 24 personnel years, as well as $67,000 in Item 4260-001-890, added by the Legislature to restore the Child Health Information and Claiming Unit to provide manual claims processing services for the Child Health and Disability Prevention Program. Contracting for these services will allow the department to reduce costs by $100,000 and will reduce the time required to process claims. I recently signed AB 1793, Chapter 129, Statutes of 1986, which specifically permitted the department to contract for these services in FY 1985–86. Since the

department has already executed a contract for these services, it is reasonable to continue this cost effective approach in the future.

I am eliminating the $100,000 legislative augmentation ($33,000 General Fund and $67,000 Federal Fund) and 2.3 personnel years added to reflect a modification to the change in the licensing cycle for long-term care facilities which I proposed in my January budget. This procedure change will ensure that all facilities will continue to be inspected annually Those which have not historically maintained compliance with Administrative Code regulations will receive a more in-depth survey as compared to those who have maintained compliance. The procedure, as reflected in the Budget, will increase the amount of time department staff spend in problem facilities, while streamlining departmental administration of the program The corresponding Federal Fund reduction is reflected in Item 4260-001-890.

I am reducing $692,000 payable from the Hazardous Waste Control Account by eliminating funds proposed for a contract with the Office of Criminal Justice Planning (OCJP) for a local toxics strike force training program While training is important, it should be part of an organized, coordinated effort and not a piecemeal approach. This action conforms to my action on Item 4260-001-014

I am eliminating a legislative augmentation of 10 positions (9.1 personnel years) and $388,000 in a subsidiary item from the County Health Facilities Financing Assistance Fund to support an annual audit of County Health (AB 8) and Medically Indigent Services Program funds In light of the fact that most counties are currently providing more county funds than are necessary to match the State subventions, auditing these funds would be an unnecessary proliferation of the bureaucracy

In addition, I am also deleting Provisions 8 and 39, added by the Legislature which would require the department to act to collect on County Health Services Fund (AB 8) audits that were performed in 1982–83 and 1983–84.

"8. The Department of Health Services shall take action to collect (1) all outstanding Audits and Investigations Division AB 8 audit amounts currently under appeal and (2) funds due to the state from AB 8 audits initiated in 1983–84

"39 Notwithstanding any other provision of law, the County Health Facilities Financing Authority may transfer and the Department of Health Services may utilize funds from the County Health Facilities Assistance Fund to fund an ongoing AB 8 and Medically Indigent Services audit program "

The audits were completed on only 21 counties. To collect from these counties would be disparate treatment

I am reducing $150,000 payable from the Environmental License Plate Fund (Item 4260-001-140) to reflect the elimination of a legislatively mandated study. Chapter 1440, Statutes of 1985, appropriated $1 3 million to support a one-time study of marine pollution and related health risks associated with the consumption of contaminated fish. Most of this money will be used for a study in Santa Monica Bay and Long Beach Harbor to provide an appropriate mechanism for the development of an essential study design protocol for any future marine pollution studies deemed critical Until such times as the Santa Monica and Long Beach studies are completed and design protocols are developed, this augmentation, regardless of funding source, is premature and an imprudent use of limited resources.

I am also deleting Provision 15 to conform with this action

"15 Of the funds appropriated in this item $150,000 shall be used for the assessment of marine pollution health risks and shall be available for encumbrance only if AB 3501 of the 1985–86 Regular Session is chaptered and authorizes this program."

I am deleting Provision 9 which would inhibit the authority of the Director of Health Services to create formal and informal advisory groups to provide guidance on critical issues.

"9. No funds appropriated by this item shall be available for expenditure for the Family Planning Advisory Board "

Provision 9 would prohibit the Department of Health Services from reimbursing members of the Family Planning Advisory Board for expenses incurred while conducting State business I believe such a prohibition is inconsistent with the

separation of powers principle of the Constitution.

I am eliminating a legislative augmentation of $300,000 in this item which was provided to fund contracts for services to regulate biotechnology. The department currently supports activities such as this through the Division of Laboratories To contract with private industry to perform quality control functions relating to private industry creates unnecessary bureaucracy I am also deleting Provision 11 to conform with this action

"11. The Department of Health Services shall contract the following services:
(a) Providing consulting to industries requiring information regarding the biological safety of manufacturing and research facilities;
(b) Assessing risks for the manufacture of drugs, medical devices, process foods, and other biologically engineered materials for which the department has regulatory responsibility."

I am eliminating the $500,000 legislative augmentation to implement an AIDS education program for students at California universities and colleges The 1986–87 Budget provides $4 8 million for information and education grants associated with the AIDS epidemic This amount reflects an increase of $1 1 million over the 1985–86 funding level. Therefore, any additional funding needed for any specific target group (i.e , minorities, I.V. drug users, other high-risk groups and non high-risk groups) could be obtained from these increased funds, if it is deemed critical. Specifying expenditures for this particular target group would limit the department's flexibility to ensure that the funds are utilized for the most critical purposes and in the most effective manner. I am also deleting Provision 16 to conform with this action.

"16 Of the funds appropriated in this item, $500,000 shall be used by the Department of Health Services to implement an AIDS education program for students at California universities and colleges This educational program shall follow guidelines established by state funded educational models developed in 1985–86 by the University of California "

I am reducing $1,000 and deleting Provision 20 because I believe the development and implementation of education and testing guidelines are unnecessary The Centers for Disease Control and the California Health Officers Association have recently released guidelines concerning the contraction of AIDS by pregnant women. These guidelines will be utilized by the local agencies administering the various AIDS programs It is appropriate for the Federal government to implement such guidelines to achieve uniformity nationwide Although there is no specific appropriation associated with this provision, there will be administrative costs incurred to comply with this requirement Therefore, I am vetoing $1,000

"20. The Department of Health Services shall develop and implement education and testing guidelines for pregnant women at risk of contracting AIDS "

I am eliminating the $1,200,000 legislative augmentation for AIDS information and education activities. The 1986–87 Budget provides $4,833,000 for information and education grants and $2,251,000 for information, education and surveillance program support activities Until such time as the existing programs funded through the information and education contracts can be evaluated, further augmentation is premature.

I am also deleting Provision 22 to conform to this action

"22. Of the funds appropriated by this item, $5,907,500 shall be spent on general AIDS information and education activities "

I am eliminating the $250,000 legislative augmentation to assess the impact and effectiveness of AIDS information and education materials The 1986–87 Budget reflects an augmentation of $998,000 and 12.7 personnel years which are proposed for the monitoring and evaluation of the AIDS information and education activities Therefore, this augmentation is duplicative and unnecessary

I am also deleting Provision 23 to conform to this action.

"23. The Department of Health Services shall allocate (1) $125,000 to assess what impact AIDS information and education materials are having on target groups, and (2) $125,000 to ascertain the specific types of messages which are effective for specific target groups "

I am reducing $1,000 and deleting Provision 26 because quarterly reporting on the

status of AIDS-related activities is unnecessary and would require the department to divert limited staff resources and funding from more critical AIDS-related efforts to this effort.

"26. The Department of Health Services is required to report quarterly on the status of AIDS-related activities to the Governor, the Legislature, and the public."

I am eliminating the $250,000 legislative augmentation for the development of an AIDS comprehensive plan by the SB 910 AIDS Advisory Committee established pursuant to SB 910, Chapter 1257, Statutes of 1983. The Department of Health Services has already developed a comprehensive plan and will update and revise that plan as circumstances change. It is unnecessary to also provide $250,000 for an advisory committee to accomplish the same task.

I am also deleting Provision 27 to conform to this action.

"27. The Department of Health Services shall allocate $250,000 to the AIDS Advisory Committee, established pursuant to SB 910 (Ch. 1160, Stats of 1986), for the development of a Comprehensive AIDS plan. The committee shall submit the plan to the Legislature and the Governor by December 15, 1986. To ascertain local needs, the committee will hold a conference of service providers and conduct regional hearings."

I am eliminating the $250,000 legislative augmentation for allocation to the Hemophilia Council of California. The Department of Health Services is contracting with both the Hemophilia Council of California and the Orthopedic Hospital to provide services for hemophiliacs. The 1985–86 Budget provided $233,000 for these contracts and both will be continued in 1986–87. Therefore, this augmentation is duplicative and unnecessary

I am also deleting Provision 28 to conform to this action

"28. The Department of Health Services shall allocate $250,000 to the Hemophilia Council of California for counseling and psychosocial care for hemophiliacs with HTLV-III infection and for their families."

I am eliminating the $50,000 legislative augmentation for AIDS-related training of dental personnel. The 1986–87 Budget provides $4.8 million for information and education contracts. This amount reflects a $1.1 million increase over the 1985–86 funding level The department has the flexibility to fund projects of this nature from the $4.8 million appropriation, if it is deemed to be necessary. Specifying the manner in which these funds are expended or the specific target groups to receive these funds would impede the department's efforts to ensure that funds are allocated for the most critical purposes and in the most effective manner.

I am also deleting Provision 29 to conform to this action.

"29. The Department of Health Services shall work with the State Board of Dental Examiners and the California Dental Association to provide education to dental personnel regarding AIDS."

I am reducing by $200,000 the $700,000 legislative augmentation for Alzheimer's Disease research. The combined budgets for the Departments of Health Services, Mental Health and Aging provide $2,550,000 in the current year and $2,750,000 in 1986–87 for various Alzheimer's programs and services. Included in the $2.75 million is $250,000 specifically for Alzheimer's research This augmentation will triple the amount available for Alzheimer's Disease research and will provide a sufficient base to allow the department to leverage funds from other sources.

I am also revising Provision 31 to conform to this action.

"31. The Department of Health Services shall allocate ~~$950,000~~ *$750,000* for the Alzheimer's Disease research program."

I am eliminating the $82,000 legislative augmentation to this item and the $246,000 payable from the Federal Trust Fund (Item 4260-001-890) to add 11 positions (10 personnel years) to support statewide expansion of the gatekeeper program. Statewide expansion of the gatekeeper program is also being proposed in AB 2684 which has been passed by both the Assembly and the Senate. I believe that legislation is the more appropriate means of effecting this significant change of law. In addition, AB 2684 would not require any additional funding or unnecessary bureaucracy.

I am also deleting Provision 35 to conform with this action.

"35. The Department of Health Services, during the processing of an initial and/or a renewal Treatment Authorization Request (TAR) for a Medi-Cal eligible recipient for admission to a nursing home or continued stay in a nursing home, shall screen the recipient to determine if the authorized nursing home level of care can be provided through community-based social and health services and shall refer the recipient to such community-based services if the screening indicates its appropriateness."

I am deleting Provision 36 because this language is unnecessary. The Los Angeles county registry is critical to our efforts to implement a statewide registry in accordance with AB 136 (Chapter 841, Statutes of 1985). As such, the Department would maintain the Los Angeles County registry regardless of the adoption of this language. The language as currently drafted could be interpreted to require the State to support the Los Angeles County registry as it currently operates, which is substantially more costly than the system being implemented by the State. I am deleting this language to avoid the possibility of mandating that these additional costs be borne by the State

"36 It is the intent of the Legislature to insure that the Los Angeles County Tumor Registry program be maintained."

I am reducing $1,000 and deleting Provision 38 because this Provision would prevent the department from contracting out for this function Contracting was proposed because it is more efficient and a cost-effective means of improving the administration of this particular function.

"38. As long as the responsibility remains with the department, it shall retain state employees to perform activities related to the certification of nurse assistants and home health aids and assistant training programs."

I am reducing $1,000 because I anticipate a savings as a result of contracting this function

I am reducing $1,000 and deleting Provision 40 because this Provision precludes the Administration from exercising its authority to implement contracting-out proposals that meet the test of cost-effectiveness and efficiency. I am also reducing the budget by $1,000 because I believe that contracting these services will save the department at least $1,000

"40 The security and janitorial services at the Berkeley Laboratories supported by funds in this item shall be provided solely by state staff and not through contract Upon the expiration of existing contracts for security services at the Berkeley Laboratories, the department shall not renew the contracts, but shall instead engage state employees to provide these services."

I am deleting $1.000 and Provisions 5, 14, 25 and 33 as well as Provision 20 in Item 4260-101-001 to eliminate unnecessary administrative costs.

"5 The Department of Health Services shall perform an analysis of Medi-Cal billing tapes to discern the level of reimbursement presently being provided for AIDS-related outpatient care and submit it to the Legislature by December 1, 1986."

"14. The Department of Health Services shall notify the chairperson of the fiscal committee of both houses of the Legislature and the Chairperson of the Joint Legislative Budget Committee 30 days prior to spending any consultant and professional service funds budgeted in support of the low-level radioactive waste site monitoring program.

The notification shall identify (a) the types of services to be purchased, (b) the amount of funds to be expended for each type of service, and shall provide (c) an explanation of why such services are needed for the efficient implementation of the department's responsibilities."

"25 The director of the Department of Health Services, designated by the Governor as the lead on AIDS issues, shall require the following departments to report to the Legislature by November 1, 1986, on the resources they require to provide services related to AIDS for 1987–88 Health Services, Social Services, Corrections, Alcohol and Drug Programs, Mental Health, Education, California Youth Authority, University of California, California State University, California Community Colleges, and Fair Employment and

Housing."

"33. Whenever the Department of Health Services conducts epidemiological studies of hazardous waste sites, the department shall determine:

(a) Whether the exposure of human or animal populations to any hazardous substance may be detectable in tissue or fluid samples from the subject population;

(b) Whether biological monitoring of such substances would be scientifically justifiable for the site under discussion

Should the department make the above determinations, the study shall include laboratory analyses of such samples from a statistically significant portion of such population and a control group."

Although no augmentations are associated with these provisions, there will be administrative costs incurred to comply with the requirements The 30-day notification will require preparation by the Department of Health Services as well as review by the Agency Secretary and the Department of Finance. The requirement for reporting departmental needs for AIDS for the 1987–88 fiscal year will impose additional expenses on the department to assimilate the reports and ensure that the appropriate materials are submitted. The requirement to make specific findings when conducting epidemiological studies will require the establishment of procedures and possible adoption of regulations These requirements are unnecessary and potentially costly. Therefore, I am vetoing $1,000 and the four provisions. I am also deleting Provision 20 in Item 4260-101-001 which would impose additional auditing requirements on the Department of Health Services

Item 4260-001-014—For support of the Department of Health Services. I reduce this item from $27,979,200 to $27,283,200.

I am reducing this item by $696,000 to conform to my action regarding contract training funds and contracting for security guard services in Item 4260-001-001. This reduces the amount payable from this item to Item 4260-001-001

Item 4260-001-140—For support of Department of Health Services. I eliminate this item.

I am eliminating the $150,000 legislative augmentation for a study of the health risks associated with the consumption of contaminated fish to conform with my action in Item 4260-001-001. This eliminates the amount payable from this item to Item 4260-001-001

Item 4260-001-710—For support of Department of Health Services. I reduce this item from $5,989,000 to $5,988,000.

I am reducing this Item by $1,000 to conform with my action in Item 4260-001-001 regarding contracting for security guard services This reduces the amount payable from this item to Item 4260-001-001.

Item 4260-001-810—For support of Department of Health Services I eliminate this item.

I am eliminating this item which was added by the Legislature to fund an annual audit of County Health (AB 8) and Medically Indigent Services program funds. This action conforms to the action I have taken in Item 4260-001-001. This eliminates the amount payable from this item to Item 4260-001-001.

Item 4260-001-890—For support of Department of Health Services. I reduce this item from $95,135,850 to $94,664,850.

I am reducing this item by $16,000 to conform with my action in Item 4260-001-001 regarding contracting for security guard services

I am reducing this item by $67,000 to conform to my action in Item 4260-001-001 in reflecting the elimination of the $100,000 legislative augmentation which reflects a change in the revised licensing cycle for long-term care facilities as proposed in the 1986–87 budget

I am eliminating the $75,000 added by the Legislature to restore two positions (1.8 personnel years) and allow the Department of Health Services to contract a portion of their Medical Review function to conform with my action on Item 4260-001-001

I am eliminating the $246,000 legislative augmentation to conform with my action on Item 4260-001-001 regarding the Gatekeeper program.

0 20 15 0

I am eliminating a $67,000 legislative augmentation to restore the Child Health Information and Claiming Unit to provide manual claims processing for the Child Health and Disability Prevention Program. This conforms to the action I have taken in Item 4260-001-001.

Item 4260-101-001—For local assistance, Department of Health Services I reduce this item from $2,334,225,000 to $2,264,865,000 by reducing:

(a) 50.10—Eligibility from $132,326,000 to $129,826,000,

(b) 50.11—Benefits from $4,634,972,000 to $4,501,252,000,

(c) Amount payable from the Federal Trust Fund (Item 4260-101-890) from −$2,455,505,000 to −$2,388,645,000, and

by revising Provisions 16 and 32, and deleting Provisions 20, 22, 23, 24, 25, 26, 27, 29, 30, 31, and 33

I am revising Provisions 16 to conform to my action in Item 4260-106-001.

"16 The following shall control the allocation of funds for rate increases for obstetric services:

(a) The Department of Health Services shall increase by ~~80.5~~ 26.5 percent reimbursement rates for procedure codes 59400 through 59581 as listed in the "1969 California Relative Value Studies" (fifth edition).

~~(b) The Department of Health Services shall establish a reasonable fee schedule of not less than $1,135 for prenatal care, delivery and one postpartum visit for comprehensive perinatal care providers.~~"

I am approving an increase of 26.5 percent in Medi-Cal reimbursement rates for obstetric services This would provide rate parity with Medi-Cal providers of other critical primary care services.

I am deleting Provision 20

"20. The Department of Health Services shall develop a methodology to ensure that funds appropriated to upgrade patient care positions in Intermediate Care Facilities/Developmentally Disabled-Habilitative shall be spent on labor."

Language such as this discourages providers from temporarily using their own resources for improvements. Since there would have been some expense for additional auditing to enforce this requirement, I am also reducing item 4260-001-101 to conform with my action on this issue.

I am deleting Provision 22.

"22. The Department of Health Services shall establish hospice as a covered benefit under Medi-Cal "

The same change is being proposed in AB 4249 and I will consider the merits of this change in Medi-Cal benefits when the Legislature passes that legislation

I am deleting Provision 23

"23 The Department of Health Services shall adopt regulations reestablishing reimbursement for Extended Care Facilities until such time as there is an appropriate substitute "

The 1986–87 Budget provides $1,007,000 for skilled nursing facility pilot projects in San Francisco and Los Angeles to acquire baseline data on health care service needs for AIDS patients In addition, the 1986–87 Budget provides $1,500,000 for community support block grants which include funding for pilot projects in the areas of home health care, attendant care, and hospice care. I believe that further expansion of services is premature until the benefits and need for such expansion can be evaluated.

I am eliminating the $1,500,000 legislative augmentation to this item and the $1,500,000 payable from the Federal Trust Fund (Item 4260-101-890) to be used by the California Medical Assistance Commission to allocate to hospitals which serve a disproportionate number of AIDS patients. I believe that increasing rates based on diagnosis should be considered as part of the "give and take" of the negotiation process and should not be the subject of special consideration.

I am also deleting Provision 24 to conform to this action.

"24. The Department of Health Services shall allocate $3,000,000, $1,500,000 of which shall be from the General Fund, to the California Medical Assistance Commission to allocate to hospitals which serve a disproportionate number of AIDS patients. The department shall apply for a waiver to the federal government if one is necessary to obtain federal financial participation in these

costs."

I am eliminating the $1,500,000 legislative augmentation to this item and the $1,500,000 payable from the Federal Trust Fund (Item 4260-101-890) to be used by the California Medical Assistance Commission to allocate to hospitals which serve AIDS patients receiving investigational drug therapies. I believe that establishing special treatment under Medi-Cal based on diagnosis is inconsistent with providing only those services which are medically necessary

I am also deleting Provision 25 to conform to this action

"25. The Department of Health Services shall allocate $3,000,000, $1,500,000 of which shall be from the General Fund, to the California Medical Assistance Commission to allocate to hospitals which serve AIDS patients receiving investigational drug therapies The department shall apply for a waiver to the federal government, if one is necessary, to obtain federal financial participation in these costs The department shall report to the Legislature by July 31, 1986, on its policy regarding reimbursement of inpatient stays associated with the administration of investigational therapies "

I am eliminating the $13,000,000 legislative augmentation to this item and $13,000,000 payable from the Federal Trust Fund (Item 4260-101-890) to be used by the California Medical Assistance Commission in negotiating contracts with hospitals serving a disproportionate share of Medi-Cal or other low-income patients This augmentation is unnecessary as the special needs of these hospitals were already considered with the $5 million ($2 5 million General Fund) augmentation that was sustained in the 1985–86 budget

I am also deleting Provision 26 to conform with this action.

"26 The Department of Health Services shall allocate $13,000,000 appropriated in this item and $13,000,000 appropriated in Item 4260-101-890 to be used by the California Medical Assistance Commission to take into consideration the special circumstances of hospitals serving a disproportionate share of Medi-Cal and other low-income patients "

I am eliminating the $15,000,000 legislative augmentation to this item and the $15,000,000 payable from the Federal Trust Fund (Item 4260-101-890) to be used by the California Medical Assistance Commission for hospital contract increases I believe that there is still potential for further reductions in hospital contracting, considering the continued pressure for expansion of hospital facilities. While some increases may be warranted in isolated cases, I believe it would be inconsistent with the fundamental basis of negotiation to budget a general increase.

I am also deleting Provision 27 to conform with this action

"27. The Department of Health Services shall allocate $15,000,000 appropriated in this item and $15,000,000 appropriated in Item 4260-101-890 to be used by the California Medical Assistance Commission to take into consideration increases warranted for hospitals contracting with the state to deliver Medi-Cal services When allocating funds for these warranted increases, the California Medical Assistance Commission shall provide funds only for increased costs expected to occur in future contract periods "

I am eliminating the $7,500,000 legislative augmentation to this item and the $7,500,000 payable from the Federal Trust Fund (Item 4260-101-890) to be used by the Department of Health Services to increase hospital outpatient rates to take into consideration the special circumstances of hospitals serving a disproportionate share of Medi-Cal and other low-income-patients Reimbursement for outpatient services is the subject of AB 1159 I believe that legislation is the appropriate means of considering significant changes such as this

I am also deleting Provision 29 to conform with this action

"29 The Department of Health Services shall allocate $7,500,000 appropriated in this item and $7,500,000 appropriated in Item 4260-101-890 to increase hospital outpatient rates to take into consideration the special circumstances of hospitals serving a disproportionate share of Medi-Cal and other low-income patients."

I am eliminating the $2,000,000 legislative augmentation to this item and the $2,000,000 payable from the Federal Trust Fund (Item 4260-101-890) to fund the

elimination of the Medi-Cal Inpatient Reimbursement Limit (MIRL). The current reimbursement system allows for reimbursement of reasonable costs while maintaining important cost controls. Revising this method would be counter productive to cost-effective management of the Medi-Cal program.

I am also deleting Provision 30 to conform with this action.

"30. The Department of Health Services shall eliminate the Medi-Cal Inpatient Reimbursement Limitation (MIRL) for small and rural hospitals."

I am eliminating the $1,000,000 legislative augmentation to this item and the $1,000,000 payable from the Federal Trust Fund (Item 4260-101-890) to fund rate increases to rural hospitals for outpatient care. Reimbursement for outpatient services is the subject of AB 1159. I believe that legislation is the appropriate means of considering significant changes such as this They should not be effected through the budget

I am also deleting Provision 31 to conform with this action.

"31 The Department of Health Services shall allocate $1,000,000 appropriated in this item and the $1,000,000 appropriated in Item 4260-101-890 to increase reimbursement to rural hospitals for outpatient care."

I am reducing $360,000 from the $720,000 legislative augmentation to this item and $360,000 from the legislative augmentation to the Federal Trust Fund (Item 4260-101-890) to increase Adult Day Health Care rates. The Legislature provided funding to increase rates from $35.31 to $40 05. Until results of the rate study are complete, I believe that such an increase is unwarranted. However, some rate increase is appropriate, therefore, I am leaving enough funds to increase rates to $37.68

I am also revising Provision 32 to conform with this action

"32. The Department of Health Services shall reimburse for adult day health care at an average daily rate of ~~$40 05~~ *$37 68*"

I am deleting Provision 33

"33 Notwithstanding Section 14154.1 of the Welfare and Institutions Code, which requires that the Department of Health Services shall not allocate funds for nonapproved Medi-Cal applications which exceed a specified level, the level for applications accepted on or after July 1, 1985, shall be determined by multiplying the county's number of approved applications by the ratio of nonapproved applications processed by the county during 1983–84"

This Provision would have required the Department of Health Services to change the way counties are reimbursed for the Medi-Cal applications processed. This issue is the subject of pending legislation, AB 1573. This issue should be decided based on legislation and not through the budget process I am also eliminating the $2,500,000 legislative augmentation for County Reimbursement for Eligibility Determination to conform to this action

I am reducing the appropriation in this item by $25,000,000 and the appropriation in Item 4260-101-890 by $25,000,000 to adjust the Medi-Cal Budget for an acceleration of provider claims received in the current year It appears the Medi-Cal providers have turned in their claims in a more timely manner for the last several months. This is a one-time expense and, in order to account for this change, I am reducing the Medi-Cal budget by $25,000,000 in this item and an equal amount of Federal funds in Item 4260-101-890

Item 4260-101-890—For local assistance, Department of Health Services I reduce this item from $2,455,505,000 to $2,388,645,000

Consistent with the above action, I am revising Provision 1

"1. The amount payable from this item is scheduled as follows.

(a) 50 10—Eligibility (County Administration)	68,754,000
(b) 50.11—Benefits (Medical Care and Services)	~~2,356,131,000~~ *2,289,571,000*
(c) 50 50—Fiscal Intermediary Management	30,320,000

I am eliminating the $1,500,000 legislative augmentation for special inpatient rates to conform with my action on Item 4260-101-001

I am eliminating the $1,500,000 legislative augmentation for investigational drugs for AIDS patients to conform with my action on Item 4260-101-001

I am eliminating the $13,000,000 legislative augmentation for disproportionate inpatient provider rate increases to conform with my action on Item 4260-101-001

I am eliminating the $15,000,000 legislative augmentation for hospital contract increases to conform with my action on Item 4260-101-001

I am eliminating the $7,500,000 legislative augmentation for hospital outpatient rate increases to conform with my action on 4260-101-001.

I am eliminating the $2,000,000 legislative augmentation to fund the elimination of the Medi-Cal Inpatient Reimbursement Limitation (MIRL) to conform with my action on Item 4260-101-001

I am eliminating the $1,000,000 legislative augmentation for rural outpatient rate increases to conform with my action on Item 4260-101-001.

I am reducing $360,000 from the $720,000 legislative augmentation to conform with my action on Item 4260-101-001 to reduce the amount in this budget for an interim rate increase for Adult Day Health Care.

I am reducing this item by $25,000,000 to conform to my action in Item 4260-101-001 to account for the extra provider claims received in the current year

Item 4260-106-001—For cost-of-living increases, Department of Health Services. I reduce this item from $39,612,000 to $16,995,000 by reducing

(a) 50.11—Benefits (Medical Care and Services) from $79,692,000 to $34,016,000,

(b) Amount payable from the Federal Trust Fund from −$40,080,000 to −$17,021,000.

The Legislature added $15,593,000 in this item and an equal amount in Item 4260-106-890 to provide for an increase in reimbursement rates paid to the providers of obstetric services in the Medi-Cal program. The legislative augmentation provided for an increase of 80.5 percent in the rates for obstetric services and an additional $200 increase in rates for the Medi-Cal providers who provide obstetric services under AB 3021 (Chapter 1404, Statutes of 1984). I am reducing this augmentation to $4,955,000 in this item and a corresponding amount in Federal Funds which will permit a 26 5 percent increase to provide for rate parity with the Medi-Cal providers of other critical primary care services.

The Legislature added $11,958,000 to this item and $12,424,000 to Item 4260-106-890 to provide for a 2.0 percent increase in discretionary provider rates for the Medi-Cal Providers Due to competing demands on the General Fund, I am eliminating this augmentation

The Legislature added $21,000 to this item and $21,000 to Item 4260-106-890 to provide for a 14.0 percent increase in transportation rates for the portable x-ray providers. Due to competing demands on the General Fund, I am eliminating this augmentation for this limited group of Medi-Cal providers

Item 4260-106-890—For cost-of-living increases, Department of Health Services. I reduce this item from $40,080,000 to $17,021,000

I am eliminating the $21,000 legislative augmentation to this item for the 14 0 percent increase in the transportation rates for the portable X-ray providers. This conforms with my action in Item 4260-106-001.

I am eliminating the $12,424,000 legislative augmentation which would have provided for a 2.0 percent increase in discretionary provider rates for the Medi-Cal providers. This conforms with my action in Item 4260-106-001.

I am reducing $10,614,000 from the $15,593,000 augmented by the Legislature for the obstetric rate increases to correspond to the reduction in Item 4260-106-001 I am retaining a $4,979,000 augmentation to conform to my action in Item 4260-106-001 to provide for significant increases in this program to provide for rate parity with the Medi-Cal providers of other critical primary care services.

Item 4260-111-001—For local assistance, Department of Health Services I reduce this item from $1,122,254,500 to $1,108,914,500 by reducing:

(a) 11—Preventive Medical Services from $22,793,500 to $18,043,500,
(b) 20—Family Health from $117,740,000 to $113,190,000,
(c) 40—Rural and Community Health from $981,721,000 to $977,681,000, and revising Provisions 1, 2, and 3.

I am eliminating the $500,000 legislative augmentation to provide outreach services to encourage high risk groups to seek AIDS testing The 1986–87 Budget provides $3 9 million for HTLV-III testing pursuant to AB 488 (Chapter 23, Statutes of 1985) which appropriated $5 million for establishment of alternative test sites. The reimbursement rate to counties for administering the tests has been increased from $11 per test to $40 per test to include enhanced outreach and education I believe the current level of funding is sufficient and that further augmentation is unnecessary at this time.

I am eliminating the $1,800,000 legislative augmentation to support AIDS epidemiology and education services at the local level. I am providing $2.6 million for this purposes in 1986–87 Until such time as these efforts can be evaluated, further augmentation is premature.

I am eliminating the $1,200,000 legislative augmentation for AIDS community support services The 1986–87 budget provides $1,500,000 for community support block grants which include expenditures for pilot projects in the areas of home health care, attendant care, and hospice care Additionally, I am supporting efforts to include hospice care as a Medi-Cal benefit This augmentation, which is intended to provide for AIDS health care outside of the hospital setting, would be duplicative of these efforts and is premature until the benefits of and needs for these projects can be evaluated

I am eliminating the $1,000,000 legislative augmentation for AIDS intermediate care I have already proposed an augmenation of $1,007,000 for skilled nursing facility pilot projects in San Francisco and Los Angeles to acquire baseline data on health care service needs for AIDS patients Since no data currently exist and the use of and need for these services have not been documented, an additional $1,000,000 for this purpose is inappropriate at this time.

I am eliminating the $250,000 legislative augmentation for AIDS demonstration projects in county jails It is inappropriate for the State to undertake activities which are the responsibility of the local jurisdictions Demonstration projects in county correctional facilities should remain the responsibility of local jurisdictions

I am eliminating a legislative augmentation in the amount of $300,000 added to fund school-based health clinics These services are already authorized through the Comprehensive Health Education Program. Included in the budget for school districts is over $12 billion in general purpose and categorical funds that can be used for this purpose. Additionally, I have included $500,000 for the Department of Education in both FY 1985–86 and 1986–87 to develop curriculum as well as pamphlets and flyers regarding available health services.

I am eliminating a legislative augmentation of $4,250,000 for the Family Planning program. This program was augmented by $4,000,000 in FY 1985–86 which, when combined with last year's COLA, provided a 17 1 percent increase

I am eliminating the $400,000 legislative augmentation for rural health services to provide funding for increased costs of liability insurance. The requirements for liability insurance have not changed in the recent past. Any contract adjustments for increased costs of providing services should be made during normal contract negotiations

I am eliminating the $3,640,000 legislative augmentation to provide new and expanded services for the rural health program Funding for this program has grown by 15 5 percent since 1983–84. In light of the current demand for State support in a wide variety of programs, I believe that the level of funding in the budget is appropriate

I am deleting Provision 1(b) which would require counties to develop and submit expenditure plans as a condition of receiving AIDS block grant funding This language is inappropriate. The concept of requiring State approval over plans for expending block grant funding is contradictory. Block grant funds are provided for a general purpose and the receiving jurisdictions are given the flexibility to allocate and administer the funding as they deem necessary and appropriate.

0 22 30 0

I am deleting Provision 1(f) as part of my action to reduce the overbudgeting of funds for AIDS activities. Provision 1(f) is unnecessary because the Department considers all target groups, including the general public and health and public safety personnel, when allocating funds for information and education contracts It is important that the Department maintain the flexibility to allocate these funds in the most effective manner possible to address the most critical of needs in the area of AIDS information and education

I am revising Provisions 1, 2 and 3 to conform with these actions

"1 Program 11—Preventive Medical Services

(a) Should influenza vaccine, or funding for influenza vaccine, become available to the state, such resources or funds shall be used in lieu of equivalent funds appropriated from the General Fund for such purpose to the extent that the same target population is served

~~(b) The department shall (1) require counties to develop AIDS plans and budgets as a condition of receiving aids block grants, (2) review the plans and budgets to assure that proposed expenditures are consistent with program goals, and (3) monitor expenditures to assure that actual expenditures are in general agreement with the plan and budget. The department shall recoup and revert to the General Fund any funds not spent in this manner.~~

~~(c) The department shall allocate $500,000 to counties to contract for or provide outreach to high risk groups to encourage them to seek AIDS testing. Funds shall be allocated on the basis of population, test volume, number of AIDS cases, and number of alternate test sites.~~

~~(d) Counties are prohibited from receiving state funds for county AIDS programs unless they maintain their current level of support for AIDS services. A county shall submit a plan to the state demonstrating how it will address epidemiological and educational issues related to the AIDS epidemic, the sources of funds it has available for AIDS related activities, and an expenditure plan for local assistance funds provided by the state. The department is authorized to use up to $400,000 of the $1,400,000 in local assistance funds to contract with local jurisdictions for special studies.~~

~~(e) The department shall allocate $2,700,000 of the funds appropriated in this item to fund AIDS related programs providing a continuum of services outside of hospital settings. In allocating the funds, the department shall encourage counties to contract, when possible, with community based providers.~~

~~(f) In allocating funds for information and education contracts regarding AIDS, the department shall consider the need for education of health personnel.~~

~~(g) The department shall allocate $1,000,000 for San Francisco and Los Angeles counties to fund additional intermediate long/term care beds for persons with AIDS or AIDS/related conditions.~~

~~(h) The department shall allocate $250,000 to fund demonstration projects in county jails for treatment of persons with HTLV/III infection.~~

"2 Program 20—Family Health Services

(a) Funds appropriated in this item for services to physically handicapped children shall be used in accordance with provisions of Article 2 (commencing with Section 248) of Chapter 2 of Division 1 of the Health and Safety Code, provided that any person who is eligible for and is receiving services under the program funded by this item shall not be denied services or suffer an interruption of services because of any relocation within this state

(b) Collections of family repayments (a) by CCS in excess of $750,000 and (b) by GHPP in excess of $70,000 shall be used to offset the General Fund appropriation to those programs

(c) The CCS Program shall require all CCS applicants who are potentially eligible for cash grant public assistance to apply for Medi-Cal eligibility

prior to becoming eligible for CCS funded services, unless the individual declines to apply on the basis of known ineligibility under state law and the regulations promulgated thereunder.

~~(d) The department shall allocate $300,000 to establish school/based health clinics. Thirty days prior to expenditure of these funds, the department shall provide the Legislature with an expenditure plan.~~

~~(e) The department shall allocate $3 million for basic contraceptive services provided under the family planning program. The department shall allocate $1,250,000 to fund the testing and treatment of chlamydia. To the extent possible, the department shall endeavor to allocate the funds for the reduction of unintended teen pregnancies.~~

~~(f) In considering applications for funding for maternal and child health grants in the 1986/87 budget year, the department shall endeavor to fund demonstration projects which serve adolescents by providing health services on or near a school site. If a supplemental augmentation is approved for Community Clinic Grant/in/Aid programs, the Rural and Community Health Program should endeavor to fund demonstration projects administered by community clinics which serve adolescents by providing health services on or near a school site.~~

3 Program 40—Rural and Community Health

(a) The reimbursement rate for any procedure or service shall not be increased to exceed the Medicare rate for a comparable procedure or service, nor shall the reimbursement rate for any procedure or service which is currently above the Medicare rate be increased above its current level

(b) Amounts identified as abatements to the county medical services program for retroactive aid to the totally dependent program claims shall be transferred from the Health Care Deposit Fund to the county medical services program without regard to fiscal year.

(d) Funds appropriated for Medically Indigent Services in independent counties shall be spent to preserve or provide reasonable access to both inpatient hospital care and outpatient care

Outpatient care includes reasonable access, as determined by the Department of Health Services, to physician's services through county outpatient clinics, nonprofit community outpatient clinics, or other arrangements, the Medi-Cal formulary of prescription drugs, and acute dental care The department may withhold this funding for any county for which it makes a finding that the funding is not necessary to preserve or provide reasonable access to both inpatient hospital care and outpatient care The department shall withhold approval if it makes a finding that the county will not be in compliance with state statutory requirements governing eligibility, advance payment of patient liability, or notices.

~~(f) The department shall allocate $100,000 to primary care clinics to maintain professional liability coverage.~~

~~(g) Of the funds appropriated in this item, the department shall allocate $1,000,000 for rural health clinics, $1,500,000 for grants/in/aid to primary care clinics, $640,000 for farm worker health clinics, and $500,000 for clinic equipment. Of this $640,000, $490,000 shall be spent for expansion of clinics in Fresno, Tulare, Kern, Riverside, and Merced Counties and $150,000 for new sites in Monterey, Kern, and Imperial Counties.~~

(h) To the extent savings are available from the County Health Services Fund, the director shall allocate the funds according to the following priorities

(1) Public Health Emergencies	315,000
(2) Distressed County Facilities (as defined in Section 16715 of the Welfare and Institutions Code)	470,000
(3) Refugee Health Programs	245,000
(4) Computerization of County Information Processing	535,000
(5) County-Clinic Linkages	130,00
(6) Elder Care Projects	505,000
	0 23 15 0

(7) Medication Education Program for Seniors.. 250,000

If the funding applications of local jurisdictions request fewer funds by category than the amounts set forth above, the director may reallocate funds from one category to another. However, in reallocating funds, the director shall first consider the need for additional funds in the categories in the order of the priorities listed above.

(j) Funds appropriated in this item for the purpose of grants and contracts for lupus erythematosus research shall be used for basic research and shall be subject to the provisions of Section 2 of Chapter 297 of the Statutes of 1976 as amended by Section 1 of Chapter 643 of the Statutes of 1982."

Item 4260-116-001—For cost-of-living increases, Department of Health Services I reduce this item from $19,873,000 to $14,973,000 by reducing

(a) 40—Rural and Community Health from $19,873,000 to $14,973,000

I am eliminating the $4,900,000 legislative augmentation to provide a one percent discretionary COLA for the Medically Indigent Services program because of the large demands placed on the General Fund The 1985 Budget Act contained a $50 million legislative augmentation to this program, which represented a 10 6 percent increase over the 1984–1985 fiscal year appropriation. I am continuing that level of funding in the 1986–87 fiscal year

Item 4300-101-001—For local assistance, Department of Developmental Services, for Regional Centers. I reduce this item from $370,072,000 to $356,250,000 by reducing

(c) Special Adjustment Cost-of-Living Adjustment from $15,353,000 to $1,531,000, and by deleting Provision 6.

I am eliminating a legislative augmentation of $10,760,000 for a 5 percent discretionary cost-of-living adjustment (COLA) for residential care facility rates A COLA for residential care facilities is contained in Administration-sponsored legislation, SB 2525, which will restructure the existing residential care rate reimbursement system. I believe it is more appropriate to deal with the COLA as part of the revised rate system proposed in the bill

I am further reducing by $3,062,000 the discretionary COLA for providers of non residential care services and for regional center operating expenses The final budget will provide $1,531,000 for a 1 percent COLA consistent with the low rate of inflation

I am also deleting Provision 6. This provision, added by the Legislature, would require the Department of Developmental Services to include in each Regional Center Contract a provision for a full pass-through to regional center employees of all 1986–87 salary and benefit increases.

"6 The Department of Developmental Services shall include in each Regional Center Contract which it enters into for fiscal year 1986–87, a provision for a full pass-through to regional center employees of all 1986–87 salary increases and benefit allowances allocated to the regional centers."

I believe this provision would interfere with the collective bargaining process and would unduly restrict the regional centers' ability to meet local staffing needs.

Item 4300-111-001—For local assistance, Department of Developmental Services, for State Hospitals. I reduce this item from $68,878,400 to $68,696,400 by reducing

(a) 20—State Hospital Services Program from $467,653,400 to $467,516,400,

(b) Special Adjustment Cost-of-Living Adjustment from $90,000 to $45,000,

I am reducing this item by $182,000 to reflect the following actions

I am reducing $137,000 and 158.4 personnel years to continue the contracting out proposal for housekeeping services at the state hospitals

I have taken the opportunity to review the Legislature's action on my contracting-out proposals, which I initiated to encourage the development of innovative alternatives to traditional State operations with the intent of increasing the efficiency of the delivery of services to the public. Although many of my proposals were adopted by the Legislature, the contracting-out proposal which would have allowed the Department of Developmental Services to realize cost savings related to housekeeping services at the state hospitals was not accepted. In reviewing the basis for the Legislature's action, I have determined that this proposal continues to be an appropriate opportu-

nity to contract-out. I am, therefore, eliminating the 158.4 personnel years added by the Legislature and will use the related funds to contract these services. The $137,000 reduction reflects the revised estimates of 1986-87 savings which will be realized as a result of contracting for these services.

I am also reducing $45,000 from the discretionary cost-of-living adjustment (COLA). The budget will provide $45,000 for a 1 percent increase which is consistent with the low rate of inflation.

Item 4300-121-001—For local assistance, Department of Developmental Services. I reduce this item from $7,890,000 to $7,671,000 by reducing:

(d) Special Adjustment Cost-of-Living Adjustment from $285,000 to $66,000.

I am reducing $219,000 of the $285,000 legislative augmentation for the discretionary cost-of-living adjustment (COLA). The budget will provide $66,000 for a 1 percent COLA consistent with the low rate of inflation.

Item 4300-301-036—For capital outlay, Department of Developmental Services. I am revising Provision 3, and deleting Provision 2.

I am revising Provision 3 because the second paragraph does not allow sufficient flexibility to measure the performance of the State Architect with regard to maintaining planning and construction schedules for the State Hospital projects. In a practical sense, even the best-managed capital outlay schedules are subject to delays for unforeseen circumstances, activities of other reviewing agencies and the activities of the client State departments I am, however, allowing language to remain which requires quarterly reporting on project schedule status by the Office of the State Architect to heighten the awareness of the concerns expressed by the Legislature for completing projects in a timely fashion for the benefit of all agencies whose activities affect those schedules.

"3 By August 1, 1986, and every three months thereafter, the State Architect, or the acting head of the Office of State Architect, shall report to the Joint Legislative Budget Committee on the status of each capital outlay project funded in this item. At a minimum, this report shall specify whether each project is progressing according to the timeline specified in the Supplemental Report of the 1986 Budget Act If the Supplemental Report of the 1986 Budget Act does not specify a timeline for a project, then the August 1, 1986, Office of State Architect Report shall establish an expeditious project schedule, and this schedule shall be used as the basis for each subsequent report Whenever a project is not progressing according to schedule, the report shall detail the reasons for the delay and the steps that have been or will be taken to expedite the project's development

~~If any project subject to this reporting requirement is not progressing according to the above timelines, then no funds appropriated by this act, or available from any other source, shall be expended for the payment of the salary or for any other compensation of the State Architect, or acting head of the Office of State Architect.~~ "

I am deleting Provision 2 because it would restrict the Administration's flexibility to conform Capital Outlay projects to any hospital licencing and accreditation standard changes that may occur, or adjustments which may be necessary to maintain costs in line with approved amounts Further, this provision conflicts with existing provisions of the Government Code which recognize the necessity for maintaining flexibility in the administration of capital outlay projects.

"2 Notwithstanding any other provision of law, the scope of all major capital outlay projects for which funds are appropriated by this item shall be approved by the Legislature and outlined in the Supplemental Report. No change in project scope shall be authorized for any project funded under this item, except by the Legislature."

Item 4300-490—For capital outlay, Department of Developmental Services. I am revising Provision 1.

I am revising Provision 1 because the second paragraph does not allow sufficient flexibility to measure the performance of the State Architect with regard to maintain-

ing planning and construction schedules for the State Hospital projects. In a practical sense, even the best-managed capital outlay schedules are subject to delays for unforeseen circumstances, activities of other reviewing agencies and the activities of the client State departments. I am, however, allowing language to remain which requires quarterly reporting on project schedule status by the Office of the State Architect to heighten the awareness of the concerns expressed by the Legislature for completing projects in a timely fashion for the benefit of all agencies whose activities affect those schedules.

"1. By August 1, 1986, and every three months thereafter, the State Architect, or the acting head of the Office of State Architect, shall report to the Joint Legislative Budget Committee on the status of each capital outlay project funded in this item. At a minimum, this report shall specify whether each project is progressing according to the timeline specified in the Supplemental Report of the 1986 Budget Act If the Supplemental Report of the 1986 Budget Act does not specify a timeline for a project, then the August 1, 1986, Office of State Architect Report shall establish an expeditious project schedule, and this schedule shall be used as the basis for each subsequent report Whenever a project is not progressing according to schedule, the report shall detail the reasons for the delay and the steps that have been or will be taken to expedite the project's development.

~~If any project subject to this reporting requirement is not progressing according to the above timelines, then no funds appropriated by this act, or available from any other source, shall be expended for the payment of the salary or for any other compensation of the State Architect, or acting head of the Office of State Architect.~~ "

Item 4440-001-001—For support of Department of Mental Health I reduce this item from $24,229,000 to $22,979,000 by reducing·

(a) 10—Community Services from $18,311,000 to $17,061,000,

and by deleting Provisions 5, 6 and 7

I am eliminating a legislative augmentation of $500,000 which was added for research activities. Chapter 1286/85 (AB 2541) mandated the Department of Mental Health to appoint a Mental Health Research Advisory Committee to advise and assist the Department in establishing research priorities. AB 2541 also directs DMH to include research activities in its ongoing budget. The research program is in the initial start-up stages and the appropriate funding level is unknown Given the limited General Fund revenues available, the many funding priorities, and the newness of this activity, I believe the $1 million funding level which I originally proposed is appropriate. As the program is more fully implemented, the need for additional funds will be evaluated. I am deleting Provision 7 to conform to this action.

"7. The Director of Finance may authorize the expenditure of $500,000 available for mental health research activities not sooner than 30 days after notification in writing to the chairperson of the fiscal committee in each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee, or not sooner than such lesser time as the chairperson of the joint committee, or his or her designee, may in each instance determine "

I am also eliminating a $750,000 legislative augmentation for media and training activities for Acquired Immune Deficiency Syndrome (AIDS). Chapter 767, Statutes of 1985 (SB 1251), provided $300,000 to the Department of Mental Health for the development and distribution of AIDS informational materials, and $200,000 for the development of training and education materials. In addition, SB 1251 requires the Department of Mental Health to conduct a statewide needs assessment of AIDS-related mental health needs. This assessment will be completed sometime during the Fall of 1986 and will provide information to determine what additional efforts are needed. I am deferring approval of this increased funding level until the assessment is completed and/or the funds currently available are fully exhausted

I am also deleting Provisions 5 and 6 to conform to this action

"5. Of the amount appropriated in this item, $250,000 shall be used for the distribution of AIDS related materials developed in 1985–86, and $250,000 shall be used

to develop and distribute new media materials. This work shall be done in consultation with the Department of Health Services."

"6. Of the amount appropriated in this item, $250,000 shall be used for:

(a) Training of mental health professionals with regard to AIDS issues;

(b) Training of AIDS health care providers with regard to mental health issues;

(c) Programs for burn-out of health and mental health providers; and

(d) Training of peer counselors."

Item 4440-011-001—For support of Department of Mental Health I reduce this item from $289,988,000 to $289,928,000 by reducing

(a) 20.10—Lanterman-Petris-Short Act from $178,983,000 to $178,923,000,

and by deleting Provision 10.

I am reducing this item by $60,000 to reflect the following actions.

I am eliminating the $49,000 and 16.1 personnel years restored by the Legisalture to continue the contracting out proposal for janitorial services at Metropolitan State Hospital, the 3 8 personnel years to continue the contracting out proposal for laboratory services at Patton State Hospital, and the $11,000 and 6.2 personnel years to continue the contracting out proposal for laundry services at Metropolitan State Hospital;

I am also deleting Provision 10 to conform to this action

"10. The department shall ensure that no state hospital laundry worker shall be displaced because of the laundry contract at Metropolitan State Hospital. These employees shall be offered other hospital employment at their current hospital location, in a comparable job category, and at a compensation level which is not less than what they received previously. It is the intent of the Legislature that future budget proposals contain detailed plans for accommodating employees displaced by contracting proposals."

I have taken the opportunity to review the Legislature's action on my contracting out proposals, which I initiated to encourage the development of innovative alternatives to traditional State operations with the intent of increasing the efficiency of the delivery of the services to the public. Although many of my proposls were adopted by the Legislature, the contracting out proposals cited above, which would have allowed the Department of Mental Health to realize cost savings at the state hospitals, were not accepted.

In reviewing the basis for the Legislature's action, I have determined that these proposals continue to be an appropriate opportunity to contract out. I am, therefore, eliminating the 26 1 personnel years added by the Legislature and will use the related funds to contract these services. The $60,000 reduction reflects the estimate of 1986-87 savings which will be realized as a result of contracting for these services.

Item 4440-101-001—For local assistance, Department of Mental Health I reduce this item from $499,364,000 to $492,606,000 by reducing:

(b) 10.25 Community Services-other treatment from $500,863,000 to $500,713,000,

(d) 10.55.020 Targeted Supplemental Services: Alternatives to inappropriate jail placement from $7,808,000 to $5,200,000,

and by eliminating:

(h) 10.85 AIDS ($4,000,000) and deleting Provisions 11, 12, and 15.

I am eliminating a legislative augmentation of $4 million which was added for Acquired Immune Deficiency Syndrome (AIDS) for mentally disabled persons. I believe that AIDS treatment and referral services can be provided within the existing $493 million allocated for local mental health programs. Counties are free to allocate resources to develop additional specialized treatment programs, including an AIDS program, as they identify such local needs. The Department of Mental Health (DMH) is conducting a statewide needs assessment of AIDS-related mental health needs Until the results of the statewide needs assessment (to be completed in the fall of 1986, per SB 1251) indicate specific needs, any service needs should be met within the existing Short/Doyle allocation

I am also deleting Provision 15 to conform to this action. Further, this language

places the AIDS-related target groups among those currently identified in the Targeted Supplement Fund categories. These categories have been identified in the statute as problems on a "system-wide" basis and require additional planning and funding mechanisms through the Targeted Supplement Fund allocation process. The proposed new AIDS group is not designated to have similar service difficulties and, therefore, should not be included

"15. Of the amount appropriated in this item, $4 million shall be used to provide critical mental health treatment services to victims of Acquired Immune Deficiency Syndrome (AIDS). These funds shall be used to provide services to the following populations

(a) People with AIDS
(b) People with ARC
(c) People who test antibody positive or negative for exposure to the AIDS virus
(d) Significant others of any of those in the above groups.
(e) Those suffering from AIDS-related depression, anxiety or somatization disorders."

I am also eliminating a $2,608,000 legislative augmentation to provide Los Angeles (L A) County with a 72-bed transitional residential program, and 6 acute psychiatric beds for a jail diversion program The budget provides $493 million for local mental health programs, of which L A County will receive approximately $148 million or 30 percent Counties also have access to any unspent funds which are available for rollover into the following fiscal year In addition, the budget provides $5 2 million specifically for alternative placement for mentally disabled persons who are inappropriately placed in jails Of this amount, L A County will receive approximately $1 9 million or 37 percent of these funds An additional $15 million is available to counties based on the legislatively mandated poverty/population/equity funding formula established through Chapter 1081/85 (SB 786) to fund county service priorities.

If this project is a county priority, the costs should be accommodated within the county's allocation, and the $1.9 million targeted for inappropriate jail placement projects

Furthermore, the augmentation would create an inequity and would disrupt progress towards the equity funding approach mandated by Chapter 1081/85 (SB 786) which requires that all new funds for mental health services be allocated based on an established poverty/population/equity funding formula

I am also eliminating a $150,000 legislative augmentation for the Edgewood Childrens Center According to the DMH, the Center currently receives $30,000 from the County's Short/Doyle mental health allocation to fund this program Next year, the school will receive $81,000 in local mental health funds and a $20,000 prevention grant from the DMH This funding represents a 237 percent increase

The provision of additional funds beyond this level for this facility is inconsistent with the program's block grant funding approach negotiated by the Legislature, the Administration and service providers through Chapter 1286/85 (AB 2541) This augmentation would create an inequity by providing a significant percentage increase for one provider, and would be in violation of and disrupt progress toward the equity funding approach mandated by Chapter 1081/85 (SB 786) which requires that all new funds for mental health services be allocated based on an established poverty/population/equity funding formula I am also deleting Provision 12 to conform to this action.

"12 Of the amount appropriated in Schedule (b) 10.25 Community Services-other treatment, $150,000 shall be available for Edgewood Children's Center to provide mental health day treatment service."

Provision 11 would allow seven counties to receive almost $2 3 million in new General Funds without the required ten percent match ($254,000) for FY 1986–87 only This proposal constitutes a program reduction due to the loss of local match funds for services In addition, the waiver of a county match in this program raises an equity issue with respect to other programs which require a match Therefore, I am eliminating Provision 11

"11 Certain counties have suffered a revenue loss in recent years and are not able

to appropriate the county share of cost of augmented mental health funding. It is the intent of this proviso to enable those counties to utilize added state funds without the necessity of increasing county contribution from the 1985–86 fiscal year level, provided the 1986–87 level of county participation is not less than the 1985–86 amount Upon certification of the State Controller that the net county cost for the 1985–86 year, after adjustment by the Consumer Price Index, exceeds projected general purpose revenue sources by a factor of more than 5 percent of the net county cost, then the county matching funds, as specified in the Welfare and Institutions Code, required of that county is waived for augmented funds and cost-of-living adjustment included in this item "

Item 4440-301-036—For capital outlay, Department of Mental Health I am revising Provision 3, and deleting Provision 2.

I am revising Provision 3 because the second paragraph of this provision does not allow sufficient flexibility to measure the performance of the State Architect with regard to maintaining planning and construction schedules for the State Hospital projects In a practical sense, even the best-managed capital outlay schedules are subject to delays for unforeseen circumstances, activities of other reviewing agencies and the activities of the client State departments I am, however, allowing language to remain which requires quarterly reporting on project schedule status by the Office of the State Architect to heighten the awareness of the concerns expressed by the Legislature for completing projects in a timely fashion for the benefit of all agencies whose activities affect those schedules.

"3 By August 1, 1986, and every three months thereafter, the State Architect, or the acting head of the Office of State Architect, shall report to the Joint Legislative Budget Committee on the status of each capital outlay project funded in this item At a minimum, this report shall specify whether each project is progressing according to the time-line specified in the Supplemental Report of the 1986 Budget Act If the Supplemental Report of the 1986 Budget Act does not specify a timeline for a project, then the August 1, 1986, Office of State Architect report shall establish an expeditious project schedule, and this schedule shall be used as the basis for each subsequent report Whenever a project is not progressing according to schedule, the report shall detail the reasons for the delay and the steps that have been or will be taken to expedite the project's development

~~If any project subject to this reporting requirement is not progressing according to the above timelines, then no funds appropriated by this act, or available from any other source, shall be expended for the payment of the salary or for any other compensation of the State Architect, or acting head of the Office of State Architect.~~ "

I am deleting Provision 2 because it would restrict the Administration's flexibility to conform Capital Outlay projects to any hospital licensing and accreditation standard changes that may occur, or adjustments which may be necessary to maintain costs in line with approved amounts Further, this provision conflicts with existing provisions of the Government Code which recognize the necessity for maintaining flexibility in the administration of capital outlay projects.

"2. Notwithstanding any other provision of law, the scope of all major capital outlay projects for which funds are appropriated by this item shall be approved by the Legislature and outlined in the Supplemental Report No change in project scope shall be authorized for any project funded under this item, except by the Legislature."

Item 4440-490—For capital outlay, Department of Mental Health. I am revising Provision 3.

I am revising Provision 3 because the second paragraph of this provision does not contain sufficient flexibility to measure the performance of the State Architect with regard to maintaining planning and construction schedules for the State Hospital projects. In a practical sense, even the best-managed capital outlay schedules are

subject to delays for unforeseen circumstances, activities of other reviewing agencies and the activities of the client State departments I am, however, allowing language to remain which requires quarterly reporting on project schedule status by the Office of the State Architect to heighten the awareness of the concerns expressed by the Legislature for completing projects in a timely fashion for the benefit of all agencies whose activities affect those schedules.

"3 By August 1, 1986, and every three months thereafter, the State Architect, or the acting head of the Office of State Architect, shall report to the Joint Legislative Budget Committee on the status of each capital outlay project funded in this item. At a minimum, this report shall specify whether each project is progressing according to the timeline specified in the Supplemental Report of the 1986 Budget Act If the Supplemental Report of the 1986 Budget Act does not specify a timeline for a project, then the August 1, 1986, Office of the State Architect Report shall establish an expeditious project schedule, and this schedule shall be used as the basis for each subsequent report Whenever a project is not progressing according to schedule, the report shall detail the reasons for the delay and the steps that have been or will be taken to expedite the project's development.

~~If any project subject to this reporting requirement is not progressing according to the above timelines, then no funds appropriated by this act, or available from any other source, shall be expended for the payment of the salary or for any other compensation of the State Arthitect, or acting head of the Office of State Architect~~ "

Item 5100-001-185—For support of Employment Development Department I reduce this item from $24,887,000 to $24,314,000.

I am reducing this item by $573,000, payable from this fund to Item 5100-001-870, to conform with my actions in Item 5100-001-870 as follows:

I am eliminating a $40,000 legislative augmentation that would have provided funding for the California Employer Council.

I am eliminating a $89,000 legislative augmentation that would have provided funding for the California Agricultural Employment Program

I am eliminating a $194,000 legislative augmentation that would have provided funding for job training videos.

I am eliminating a $100,000 legislative augmentation that would have provided funding for EDD administration

I am also eliminating a $150,000 legislative augmentation that would have provided funding for the Technology Exchange Center.

Item 5100-001-869—For support of state programs under the Job Training Partnership Act, Employment Development Department. I delete Provision 3

Provision 3 of this item would attempt to control the allocation of FY 1987–88 funds. I believe it is inappropriate to use FY 1986–87 budget control language to control allocation of future year funds In addition, this language would raise the performance requirements for Service Delivery Areas (SDAs) to qualify for incentive grant awards for their FY 1986–87 training programs Based on information from the most recent program year, this language would result in the loss of some $3.7 million to 19 SDAs throughout the State Many SDAs have already negotiated training contracts for FY 1986–87 services and activities. This language would encourage SDAs to revise their training plans to include more easy-to-serve participants at the expense of hard-to-place persons (e.g., high school dropouts, economically-disadvantaged persons and the long-term unemployed) Therefore, I am deleting Provision 3.

"3. Incentive funds allocated by the State Job Training Coordinating Council in fiscal year 1987–88 for performance during fiscal year 1986–87 shall only be allocated to Service Delivery Areas that meet all seven federal performance standards, as adjusted, in the following manner

(a) $15,000 for each standard in which the Service Delivery Area is in the fiftieth percentile of those above the minimum for that standard.

(b) From the remaining funds, a share shall be allocated to each of these service

delivery areas, based on the sum of the percentages by which each service delivery area exceeds the average of those above the minimum for each standard multiplied by the service delivery area's proportion of the funds allocated under schedule (a) 60 70—Adult and Youth Training Programs of Item 5100-101-869 "

Item 5100-001-870—For support of Employment Development Department. I reduce this item from $317,189,183 to $315,804,183 by reducing.

(a) 10—Employment and Employment Related Services from $154,019,183 to $152,-061,183,

(1) Amount payable from the Employment Development Contingent Fund (Item 5100-001-185) from—$24,887,000 to—$24,314,000.

I am eliminating a $40,000 legislative augmentation, payable from Item 5100-001-185, that would have provided funding for the California Employer Council and an $89,000 legislative augmentation, payable from Item 5100-001-185, that would have provided funding for the California Agricultural Employment Program. I am vetoing these projects on the basis that they were supported in the current year with Job Services Discretionary funds to provide transition-year financing to ensure acquisition of a permanent funding source These projects should be no longer dependent upon Job Services Discretionary funds for support

I am also eliminating a $194,000 legislative augmentation, payable from Item 5100-001-185, that would have provided funding for job search training videos I am vetoing this project on the basis that it can be deferred until a subsequent year for funding with Job Services Discretionary funds.

I am reducing by $100,000 a legislative augmentation, payable from Item 5100-001-185, that would have provided additional funding for EDD administrative costs in the Job Services Discretionary program With this action, I am approving a legislative augmentation of $475,000 to support program administration This reduced augmentation will fully fund EDD for the cost of administering the Job Services Discretionary projects

I am also eliminating a $150,000 legislative augmentation, payable from Item 5100-001-185, that would have provided funding for the Technology Exchange Center. Previously known as the Orange County Business Labor Council (BLC), the center was established to facilitate communications between private business, education, and training providers Under the new Job Training Partnership Act, Private Industry Councils are now performing this coordination role and have assumed the responsibilities of the BLCs

I am eliminating a $500,000 legislative augmentation that would have provided funding for the Agricultural Career Training Program (ACTP), and a $500,000 legislative augmentation that would have provided funding for the Workability Program I am vetoing these projects on the basis that they were supported in the current year with Job Services Discretionary funds to provide transition-year financing to a permanent funding source The purpose of the Job Services Discretionary Fund is to provide incentives for employment programs, to support model employment programs, and to provide employment services to persons with special needs. The funds must be targeted to these important purposes.

I am also eliminating a $385,000 legislative augmentation that would have provided additional funding for the Deaf and Hearing Impaired Project. My expenditure plan for the Job Services Discretionary funds includes $350,000 for this project to provide transition-year financing to ensure acquisition of a permanent funding source. The funding level ensures the continued success of this unique employment program

Item 5100-011-890—For support of Employment Development Department, for transfer to the Unemployment Administration Fund I reduce this item from ($317,-189,183) to ($315,804,183)

I am reducing this item by $1,385,000 to reflect the reduced amount for transfer to the Unemployment Administration Fund. This conforms to the actions I have taken in Item 5100-001-870

Item 5160-001-001—For support of Department of Rehabilitation. I reduce this item

from $19,338,000 to $19,324,000 by reducing:

(a) 10—Vocational Rehabilitation Services from $118,527,000 to $118,413,000,

(b)* 20—Habilitation Services from $2,215,000 to $2,015,000,

(g) Amount payable from the Federal Trust Fund (Item 5160-001-890) from —$99,553,000 to —$99,453,000,

and deleting Provisions 4 and 5.

* Technical correction not included in total.

I am reducing this item by $14,000 to reflect the following actions·

Elimination of an augmentation of $200,000 to fund a Senior Center for the blind and partially sighted in the San Fernando Valley This augmentation would circumvent the Department's competitive bidding process by singling out one provider to receive funds for a pilot program. To reflect this action I am reducing schedule 20-Habilitation Services by $200,000 However, I am not reducing the item by a corresponding amount because the augmentation is not reflected in the budget bill due to a technical error. I am deleting Provision 5 to conform with this action

"5. Of the amount appropriated in this item, $200,000 shall be for operational expenses of the Sophie Meyers School for the Blind."

I am reducing $73,000 and 2 positions (1 9 PY) from a legislative augmentation of $147,000 and 4 positions This action will augment the Department's current activity by $74,000 and I am directing it to use the funds for two positions to provide administrative and support services for coordination of programs to the blind This is in addition to $14 million contained in the budget for counseling and other services to the blind and visually impaired. I am deleting Provision 5, in Item 5160-101-001 to conform with this action

This action results in a reduction of the amount payable from the Federal Trust Fund of $59,000 and a corresponding amount in Item 5160-001-890

I am also eliminating the legislative restoration of 17 positions (16 6 PY) proposed for elimination as part of the Department of Rehabilitation's Mental Health Initiative. However, I am not eliminating the funding for the positions. Consistent with the budget I proposed, I am directing the department to redirect the $561,000 related to the position reductions to their miscellaneous service category to meet the prevocational service needs of this client group.

I am deleting Provision 4 to conform with this action.

"4 The Department of Rehabilitation shall not eliminate any staff positions in order to implement the mental health initiative."

Finally, I am reducing the amount payable from the Federal Trust Fund (Item 5160-001-890) by an additional $41,000 to conform with my action on that item.

Item 5160-001-890—For support of Department of Rehabilitation. I reduce this item from $99,553,000 to $99,453,000.

I am reducing this item by $41,000 to reflect the elimination of the cost-of-living adjustment for the Supported Employment Program This conforms with my action on Item 5160-001-001.

I am also reducing this item by $59,000 to conform with my action on Item 5160-001-001.

Item 5160-101-001—For local assistance, Department of Rehabilitation. I reduce this item from $63,734,000 to $62,542,000 by reducing

(b) 20—Habilitation Services from $58,403,000 to $57,211,000,

(1) 20.10 Work Activity Program from $54,611,000 to $53,550,000

(3) 20.40 Supported Employment from $3,690,000 to $3,559,000,

and deleting Provisions 4, and 5.

I am reducing $1,192,000 of a $1,722,000 legislative augmentation. This augmentation would have provided a 3 percent cost-of-living adjustment for the Work Activity and Supported Employment Programs This action will retain $530,000 for a 1 percent COLA for the Work Activity Program. This is consistent with the low rate of inflation and with discretionary COLAs provided to other providers serving the same client group This action will result in a corresponding reduction of $41,000 in Item 5160-001-890.

I am deleting Provision 4 to correct a technical error in the budget bill.

"4 Of the funds appropriated by this item, $150,000 shall be used for three new Independent Living Centers In the event that the Department of Rehabilitation does not obtain federal funds for this purpose, the $150,000 shall be made available from existing resources "

I am, however, retaining the $150,000 augmentation for new Independent Living Centers (ILC). These additional funds, together with the $300,000 appropriated by Chapter 1440, Statutes of 1985, will provide funding for three new ILCs in Santa Cruz, Contra Costa, and Nevada Counties

I am also retaining Provision 6, added by the Legislature, which would require that the General Fund augmentation be reverted if Federal funds become available for this purpose.

Finally, I am deleting Provision 5 which would require that $147,000 be used to fund staff to provide program coordination services to the blind

"5 Of the amount appropriated in category (a), $147,000 shall be used to staff two professionals and two clericals in Northern and Southern California for services for the blind."

Due to a technical error, this provision was incorrectly placed in the local assistance item rather than the support Item 5160-001-001 Further, in Item 5160-001-001 I am directing the Department of Rehabilitation to use the remaining $74,000 to fund two positions for coordination services to the blind

Item 5160-490—Reappropriation, Department of Rehabilitation I eliminate this item.

I am eliminating this item, added by the Legislature, which reappropriates the unexpended balances of the appropriations provided by Chapter 120, Statutes of 1984, and Item 5160-101-001 of the Budget Act of 1985.

This item was added to the budget bill to provide funding for special costs for work activity providers I am eliminating this item because adequate funding for the Work Activity Program has been provided in Item 5160-101-001 To provide this rate adjustment would, I believe, contradict the intent of Chapter 135, Statutes of 1984, which froze rates for existing work activity providers through July 1, 1988.

Item 5180-151-001—For local assistance, Department of Social Services I reduce this item from $432,338,000 to $423,338,000 by reducing.

(b) 20.35—Specialized Adult Services from $424,859,000 to $416,009,000,

(b) (1) 20.35 220—In-Home Supportive Services from $419,163,000 to $410,313,000,

(d) 20.42—Adoptions from $20,964,000 to $20,814,000, and deleting Provision 15

I am eliminating a legislative augmentation of $8,850,000 This augmentation includes (a) $6,100,000 as backfill for Federal Fiscal Year (FFY) 1986 Gramm-Rudman-Hollings Act (GRH) reductions and (b) $2,750,000 in technical overbudgeting of General Fund for the In-Home Supportive Services Program While I did provide replacement funding for the FFY 86 GRH reduction to this program during 1985–86 due to the fact that the GRH reduction occurred very late in the State's last fiscal year, I stated that for 1986–87 there was sufficient time for program planning to accommodate these lost federal dollars

I am also eliminating a $150,000 legislative augmentation for increased funding to private adoption agencies for special needs children adoption services The Budget Act appropriation for this purpose ($152,000) has been sufficient to fully fund private adoption agencies' services since the 1980–81 fiscal year. As such, the augmentation for increased caseload is not necessary

In addition, I am deleting Provision 15 which authorizes the transfer of Child Welfare Services (CWS) funds to and from the County Services Block Grant (CSBG) Programs. Because the CWS Program is fully funded, I believe this language is no longer necessary However, I do recognize that some counties may be adversely impacted without some flexibility to transfer CWS and CSBG funds to continue to support current program levels Therefore, I am instructing the Department to utilize the process contained in Section 6.50 of this Act to request transfer authority for any county, not to exceed the amount transferred in 1985–86. Transfers should only be

approved as long as the county certifies that it has achieved an appropriate level of performance in the delivery of Child Welfare Services.

"15. It is the intent of the Legislature to provide counties with sufficient flexibility to manage their social services program efficiently Furthermore, it is the intent of the Legislature that the funds appropriated for Child Welfare Services and the County Services Block Grant be utilized by county welfare departments in a manner which maximizes the provision of social services at the county level in the most cost-effective manner possible

A county may transfer funds between Child Welfare Services and other county social services as long as the county certifies that it has achieved an appropriate level of performance in the delivery of Child Welfare Services The county shall demonstrate its level of performance by completing and passing a county-conducted case review in accordance with instructions provided by the department

To accomplish this transfer, the county shall notify the Director of Social Services in writing of its intent to fund CWS at a different level than included in the allocation plan The notification shall include the amount of the proposed transfer and an identification of the purposes for which the funds will be used

If the total amount of transfers from the counties is different from the amount appropriated by this act, the department shall notify the Department of Finance

The Director of Finance may authorize the transfer of funds between those appropriated for CWS and those appropriated for In-Home Supportive Services (IHSS) administration, information and referral, and adult and optional services no sooner than 30 days after written notification to the chairperson of the fiscal committee of each house and the Chairperson of the Joint Legislative Budget Committee The notification shall include (1) the amount of proposed transfer; and (2) an identification of the purposes for which the funds will be used "

Item 5180-181-001—For local assistance, Department of Social Services I reduce this item from $221,308,000 to $199,580,000 by reducing

(b) 20—Social Services Program (for transfer to Item 5180-151-001) from $14,728,000 to $4,162,000,

(c) 10.04.005—Aid to Families with Dependent Children (for transfer to Item 5180-101-001) from $202,906,000 to $188,484,000,

(e) Amount payable from the Federal Trust Fund (Item 5180-181-890) from −$125,154,000 to −$121,894,000,

and deleting Provisions 1 and 3

I am reducing this item by $10,566,000 for the In-Home Supportive Services (IHSS) Program cost-of-living adjustment (COLA) for service providers. This will maintain $3,523,000 which equates to a one percent discretionary COLA for this program This program has increased by approximately $60 million (1985–86 appropriation of $35 4 million General Fund to 1986–87 proposed $94.9 million General Fund) in the last year. This represents a program growth of 168 percent Considering this program growth, the reduced inflationary pressures, and the State's increasing fiscal burden, I believe this is an appropriate level of COLA for this program

In order to conform with the IHSS COLA action, I am deleting Provision 3.

"3. Funds appropriated by this item are to be used for an IHSS COLA as follows. (a) 3.2 percent so as to maintain the wage levels of IHSS providers, and (b) 0 8 percent so as to improve the level of compensation for IHSS providers and insure that an adequate number of providers are available "

I am also reducing $11,162,000 from this item and $3,260,000 from the Federal Trust Fund (Item 5180-181-890) for the Foster Care Program cost-of-living adjustment increase. This action will maintain $898,000 in this item and $442,000 in the Federal Trust Fund which is sufficient funds to provide a one percent COLA for Foster Family Homes. Reimbursements for Foster Family Home providers are based on a schedule established by regulations and, therefore, do not necessarily reflect the cost of shelter

and care provided by Foster Parents As such, I believe it is appropriate to provide a COLA only to Foster Family Homes. In addition, I am deleting Provision 1 in this item, because it is my intent to provide a full one percent COLA to all Foster Family Homes in the State

"1 For fiscal year 1986–87, funds appropriated by this item shall be used to grant each foster child residing in a foster family home a full AFDC cost-of-living adjustment as provided by this act "

Item 5180-181-890—For local assistance, Department of Social Services I reduce this item from $125,154,000 to $121,894,000

I am reducing this item by $3,260,000 to conform with action taken in Item 5180-181-001 which would allow for a cost-of-living adjustment of one percent to the Foster Family Homes This action reduces the amount payable from this item to Item 5180-181-001

Item 5240-001-001—For support of Department of Corrections. I reduce this item from $1,138,122,000 to $1,137,622,000 by reducing

(a) 21—Institution Program from $1,098,788,000 to $1,097,052,000 and,

(b) Amount payable from 1984 Prison Construction Fund (Item 5240-001-724) from −$7,236,000 to −$6,000,000

I am reducing $200,000 of a $314,000 legislative augmentation for an expansion of the contract with the Friends Outside organization I recognize the valuable services this organization provides inmates and their families, and the $114,000 which I have approved will permit the expansion of its services to institutions not now served by the program Friends Outside can continue to utilize private sector grants to supplement State support in achieving its program objectives

I am eliminating the legislative augmentation of $300,000 and 3 positions for an AIDS-related staff training and development program because existing resources in the Medical Services Unit currently are handling and can continue to handle this function I am deleting Provision 7 to conform to this action

"7. Of the amounts appropriated in this item, $300,000 shall be used to provide AIDS-related staff training and development for Department of Corrections personnel "

I am reducing $1,236,000 from the amount payable from the 1984 Prison Construction Fund to correspond to Item 5240-001-724

Item 5240-001-724—For support of Department of Corrections I reduce this item from $7,236,000 to $6,000,000

I am reducing $1,236,000 for recurring maintenance and special repairs After thoroughly reviewing its needs and prioritizing projects, the department has determined that its most essential needs can be met with the $6,000,000 remaining in the budget This reduces the amount payable from this item to Item 5240-001-001

Item 5240-012-001—For a study of inmate-to-staff ratios, Department of Corrections I delete Provision 1

I am deleting Provision 1

"1 Funds appropriated by this item shall be used to contract with the National Council on Crime and Delinquency for a study of institution staffing The contract shall specify that the study shall be presented to the Legislature by December 1, 1986, and that it should include an analysis of post assignments of at least five institutions "

I concur with the Legislature that a study is needed because of the many uncertainties that currently exist in determining staffing levels for the various correctional institutions However, designating one organization to perform the study is inappropriate; and I believe that the competitive bid process should be followed

Item 5240-301-724—For capital outlay, Department of Corrections I reduce this item from $9,379,000 to $9,179,000 by eliminating.

(15) 61.19 020 861—Northern California Women's Facility—Arch Road Improvement, $200,000,

and deleting Provision 2

I am eliminating the $200,000 legislative augmentation for Arch Road improvements

related to the Northern California Women's Facility in San Joaquin County The Environmental Impact Report for this new prison did not indicate a need for the proposed curbs, gutters and pavement widening and higher priority needs exist for the 1984 Prison Construction Fund.

To correspond to this action, I am deleting Provision 2 which states.

"2. Funds appropriated in category (15) are for construction of curbs, gutters, and pavement widening and are in augmentation of Chapter 258 of the Statutes of 1984, Item 5240-311-724 (15), as reappropriated by Item 5240-491 of Chapter 111 of the Statutes of 1985 Pursuant to that item, the funds are available for encumbrance until June 30, 1987, for the purposes specified in Provision 2."

Item 5450-001-001—For support of Youthful Offender Parole Board, Program 10 I delete Provision 1.

Provision 1 contains restrictive control language which is inappropriate and unnecessary. I believe the existing procedures of the Office of Administrative Law provide sufficient review for such regulation changes. Therefore, I am deleting Provision 1

"1 Notwithstanding any other provision of law, the Youthful Offender Parole Board shall not implement new regulations to increase parole consideration dates for the Department of the Youth Authority wards until 30 days after submission of the department's report on options for ward population management to the appropriate legislative fiscal and policy committees and the Chairperson of the Joint Legislative Budget Committee "

Item 5460-001-001—For support of Department of the Youth Authority I reduce this item from $254,369,000 to $254,277,000 by reducing

(b) 20—Institutions and Camps from $236,971,600 to $236,879,600

I am eliminating the $92,000 legislative augmentation for a Centerforce visitor center pilot project at the Northern California Youth Center While Centerforce has been providing essential visitor services for the adult correctional facilities, the Youth Authority has developed a visiting program that appears to fit the needs of its wards at this time

Item 6100-001-001—For support of Department of Education I reduce this item from $37,995,000 to $36,645,000 by reducing

(b) 20—Instructional Support from $30,137,000 to $29,637,000,

and by eliminating

(i) 97 20—Unallocated $850,000, and

deleting Provision 13.

I am eliminating a $500,000 legislative augmentation for a comprehensive study of the reasons students drop out of school I believe that sufficient information on the subject is already available from completed studies and that an additional study would provide little new information Recent dropout reports have been prepared by the University of California at Berkeley, the State Department of Education, the Assembly Office of Research and various California school districts showing that students leave school primarily for reasons such as poor grades, the desire or need to work, pregnancy, family problems, and alienation from school Additional data will also be reported by the 200 schools participating in dropout prevention and recovery programs established by Chapter 1431, Statutes of 1985. My budget includes $14 million to fund the Chapter 1431 dropout prevention and recovery programs for 1986–87. Of this amount, $400,000 is available to the Department of Education for administrative activities including a review of the effectiveness of Chapter 1431 implementation

I am also reducing $850,000 from this item to eliminate the augmentation for merit salary adjustments which can be funded through existing resources, and for operating cost increases due to a reduction in the inflation rate

I also believe Provision 13 of this item is unnecessary The Departments of Education and Health Services already are jointly developing regulations and guidelines for use by schools in treating school children affected with AIDS and in educating pupils about AIDS. I have seen nothing to suggest that this cooperative effort will not succeed without Budget Act language Therefore, I am deleting Provision 13.

0 28 30 0

"13 The State Department of Education and the State Department of Health Services shall jointly develop and implement regulations and guidelines (1) concerning the treatment of children affected with AIDS attending California schools and (2) AIDS education for school children "

Item 6100-006-001—For support of Department of Education I reduce this item from $39,530,000 to $39,085,000 by reducing

(a) Instruction from $43,493,000 to $43,048,000

I am reducing the $258,000 for merit salary adjustments that can be funded through existing resources, and $187,000 in operating cost increases due to a reduction in the inflation rate

Item 6100-007-001—For support of Department of Education I reduce this item from $529,000 to $429,000

I am reducing this item by $100,000 as a technical budget adjustment to reflect declining enrollment at the State Special Schools The $429,000 remaining in this item after my reduction fully funds the statutory level of funding for transportation costs of residential pupils

Item 6100-011-001—For support of Department of Education, State Library I reduce this item from $10,669,000 to $10,521,000 by reducing

(a) 50—Library Services from $12,048,000 to $11,900,000

I am reducing the $38,000 for merit salary adjustments that can be funded through existing resources, and $110,000 in operating cost increases due to a reduction in the inflation rate

Item 6100-101-001—For local assistance, Department of Education

I delete Provision 14 and revise Provision 18

Provision 14 would authorize the Superintendent of Public Instruction to reallocate any unexpended balance of funds appropriated for supplemental summer school to fund hours of instruction for districts that exceed their 5 percent funding cap. My budget contains $47 4 million to fund the statutory formula for supplemental Summer school which limits each district's entitlement to 5 percent of its prior year enrollment. I do not believe districts that have chosen to exceed this cap should receive additional State funding This would lead to inequitable funding among districts because of local district policy decisions I believe this language will also lead to increased demand to fund all hours of instruction above the 5 percent cap Therefore, I am deleting Provision 14

"14 The Superintendent of Public Instruction may reallocate the unexpended balance, if any, of the funds appropriated in schedule (f) of this item to fully fund hours of instruction provided by a school district to secondary students in summer school programs authorized by paragraph (2) of subdivision (d) of Section 42239 of the Education Code that exceed the maximum number of hours for which a school district is eligible for reimbursement

In no event shall any school district receive reimbursement pursuant to this provision for pupil attendance in summer school programs exceeding an amount equal to 10 percent of the district's total enrollment for the prior fiscal year times 120 hours, times the hourly rate for the current fiscal year "

Provision 18 expresses legislative intent to provide additional funding for school district apportionments in the event of an increase in the employer contribution rate to the Public Employees' Retirement System

Signing the budget with language of this kind included may be interpreted by some members of the Legislature as my agreement with the legislative intent and may be viewed as a commitment on the part of this Administration to fund future increases in PERS rates I believe decisions about the funding of the operating expenses of government, including employee contributions to employee retirement systems, should be made on a year-to-year basis Committing the State to fund future school district operating expenses, with no consideration of other funding sources that may be available to school districts in the future, clearly is inappropriate. Therefore, I am revising Provision 18

"18. Notwithstanding any other provision of law, in addition to the reduction made pursuant to Provision 6 of this item, the county superintendent shall reduce the total revenue limit computed pursuant to Section 42238 of the Education Code by the amount of the decreased employer contributions to the Public Employees' Retirement System resulting from the applicable employer contribution rate reduction made subsequent to January 1, 1986.

The reduction shall be calculated as follows.

(a) Determine the amount of employer contributions which would have been made in the 1986–87 fiscal year if the applicable Public Employees' Retirement System employer contribution rate in effect immediately prior to the reduction made subsequent to January 1, 1986, were in effect during the 1985–86 fiscal year.

(b) Subtract from the amount determined in paragraph (a) the greater of subparagraph (1) or (2) below

(1) The amount of employer contributions which would have been made in the 1986–87 fiscal year if the applicable Public Employees' Retirement System employer contribution rate in effect immediately after the applicable rate reduction made subsequent to January 1, 1986, were in effect during the 1986–87 fiscal year

(2) The actual amount of employer contributions made to the Public Employees' Retirement System in the 1986–87 fiscal year

(c) For purposes of this provision, employer contributions to the Public Employees' Retirement System for any of the following shall be excluded from the calculation specified above:

(1) Positions supported entirely by federal funds which were subject to supplanting restrictions

(2) Positions supported by funds received pursuant to Section 42243 6 of the Education Code

(3) Positions supported, to the extent of employer contributions not exceeding $25,000 by any single educational agency, from a revenue source determined on the basis of equity to be properly excludable from the provisions of this subdivision by the Superintendent of Public Instruction with the approval of the Director of Finance

(d) For accounting purposes, the reduction made by this provision may be reflected as an expenditure from appropriate sources of revenue as directed by the Superintendent of Public Instruction

~~(e) It is the intent of the Legislature to provide additional funding for school district apportionments in the event of an increase in the employer contribution rate to the Public Employees' Retirement System.~~

Item 6100-106-001—For local assistance, Department of Education I reduce this item from $93,644,000 to $91,444,000 I am eliminating the $2,200,000 legislative augmentation for juvenile court school equalization. During the last legislative session, I vetoed SB 323 which would have implemented equalization for juvenile court school programs. I believe the budget provides sufficient funds to address this need.

Item 6100-114-001—For local assistance, Department of Education. I reduce this item from $278,556,000 to $256,681,000.

I am eliminating the $21,875,000 legislative augmentation for increased claims for court-ordered desegregation programs I believe $256,681,000 is sufficient to reimburse 1985–86 and 1986–87 approved costs of these programs pursuant to the reimbursement formula enacted in Chapter 180, Statutes of 1985. It is my intention to fund approved claims in accordance with existing statute Therefore, the 1986–87 claims, to be filed with the State Controller's Office by November 30, 1986, will be carefully reviewed during preparation of the 1987–88 budget. If warranted, I will recommend additional funding for this item.

Item 6100-115-001—For local assistance, Department of Education I reduce this item from $97,593,000 to $80,135,000

I am eliminating the $17,458,000 legislative augmentation for increased claims for

voluntary desegregation programs. I believe $80,135,000 is sufficient to reimburse 1985–86 and 1986–87 approved costs of these programs pursuant to the reimbursement formula enacted in Chapter 180, Statutes of 1985 It is my intention to fund approved claims in accordance with existing statute Therefore, the 1986–87 claims, to be filed with the State Controller's Office by November 30, 1986, will be carefully reviewed during preparation of the 1987–88 budget. If warranted, I will recommend additional funding for this item

Item 6100-116-001—For local assistance, School Improvement Program I reduce this item from $223,331,000 to $214,531,000 by reducing

(a) 20.60.030 010 (K–6) $190,183,000 to $182,383,000,

by eliminating

(c) 20 60.040—Parental Involvement Programs $1,000,000,

and by deleting Provision 5

I am eliminating the $7,800,000 legislative augmentation for enrollment growth in the School Improvement Program in grades K–6. Current statutes do not require that funds be provided for growth in participating schools, thus, there is no assurance that schools experiencing growth would receive any of these funds However, I am providing $192 4 million (including COLA) for this program in 1986–87, which represents a 5 49 percent or $10 million increase over 1985–86, to serve in excess of 90 percent of all pupils in grades K–6

I am also eliminating the $1,000,000 legislative augmentation for a parental involvement grants program. This program is being proposed in AB 336 I believe that the funding for this program should also be considered in the legislation

Consistent with this reduction, I am deleting Provision 5:

"5 Of the funds appropriated in this item, the Superintendent of Public Instruction shall allocate $1,000,000 to local school districts for parental involvement programs These funds shall be allocated only after the submission of a plan from the State Department of Education, subject to the approval of the Director of Finance, provided that such expenditure shall not be authorized sooner than 30 days after notification to the Joint Legislative Budget Committee, or not sooner than whatever less time the chairperson of the joint committee, or his or her designee, may determine "

Item 6100-118-001—For local assistance, Department of Education I reduce this item from $550,000 to $500,000

I am eliminating the $50,000 legislative augmentation for the California Association of Student Councils made to assist this organization in retiring its debt. While I support the activities of such student organizations, I believe it is inappropriate for the State to assist in retiring the debt of this organization because this is a private, nonprofit organization which has no fiscal or programmatic relationship with the State To provide funds because of the organization's fiscal problems would establish a precedent for all such organizations experiencing fiscal difficulties.

Item 6100-119-001—For local assistance, Department of Education. I am making a technical revision to Provision 2 of this item to conform with my action on the cost-of-living adjustments, Item 6100-226-001

I am revising Provision 2 as follows:

"2 Pursuant to subdivision (b) of Section 903 7 of the Welfare and Institutions Code, the Department of Social Services shall authorize the quarterly transfer of the State share of collections attributable to Sections 903, 903 4 and 903 5 of the Welfare and Institutions Code to the Foster Children and Parent Training Fund. From these collections, and prior to any transfer of funds, there shall be a deduction for the appropriate amount of county child support collection incentives Notwithstanding the provisions of subdivision (c) of Section 903 7 of the Welfare and Institutions Code, if sufficient moneys are available in the Foster Children and Parent Training Fund, up to $1,000,000 shall be transferred from the Foster Children and Parent Training Fund to the unappropriated balance of the General Fund in reimbursement for expenditures made for the Foster Parent Training Program from appropriations of $900,000 of

category (b) of Item 6870-101-001 and $100,000 contained in Item 6870-001-001 of this act Any remaining funds in the Foster Children and Parent Training Fund shall be transferred to the unappropriated balance of the General Fund in reimbursement for expenditures made for the Foster Youth Services Program from the appropriation of $813,000 of category (a) of Item 6100-119-001 and ~~$26,000~~ *$8,000* for a cost-of-living increase from category (m) of Item 6100-226-001 of this act "

Item 6100-124-001—For local assistance; Gifted and Talented Education. I reduce this item from $23,034,000 to $20,034,000 and delete Provisions 2 and 3

I am eliminating the $3,000,000 legislative augmentation to increase the participation of underrepresented minority students in the Gifted and Talented Education Program and to expand the program to new districts. The same provisions and the necessary funding are being proposed in AB 1232 I believe that this augmentation should continue to be considered in that legislation

I am also deleting Provisions 2 and 3 to conform with this action

"2. Notwithstanding any other provision of law, $2,000,000 of the funds appropriated in this item shall be allocated as follows:

a. For identification and to serve first year costs of new districts, currently on the waiting list for GATE program participation who have identified or intend to identify and serve significant numbers of minority, linguistically diverse, or culturally disadvantaged pupils

b For districts with an existing GATE program, but enrolling fewer than a proportional number of minority, linguistically diverse, or culturally disadvantaged pupils for the purposes of increasing the enrollment of these students toward at least a proportional number.

c For excess costs of exemplary programs serving minority, linguistically diverse, or culturally disadvantaged GATE pupils (in addition to nonminority students)

"3 Notwithstanding any other provision of law, of the funds appropriated in this item, $1,000,000 shall be allocated for the establishment of GATE programs in districts currently on the SDE waiting list, and the expansion of service to students in existing programs "

Item 6100-156-001—For local assistance, Department of Education I reduce this item from $202,608,000 to $202,119,000 and revise Provision 5

I am reducing the legislative augmentation of $978,000 for additional growth in adult education average daily attendance (ADA) by $489,000 Consistent with this action, I am also revising Provision 5 of Item 6100-156-001 to specify that $689,000 shall be used to fund high-priority needs in adult education.

"5. Of the funds appropriated by this item, ~~$1,178,000~~ *$689,000* shall be used to fund high-priority needs in adult education The Superintendent of Public Instruction shall develop criteria to identify districts with high-priority needs, and shall allocate these funds in accordance with such criteria The superintendent may not use these funds to increase adult education block entitlements."

The funds remaining in the budget after this reduction will provide $4.4 million, for a 2.25 percent ADA growth rate Of this amount, 1.9 percent, or $3 7 million, will become part of districts' ongoing entitlements for funding and $689,000 will be available for allocation by the Superintendent for high priority programs including classes in English-as-a-second language and basic skills and remedial education for recipients of the Greater Avenues for Independence (GAIN) program. In total, this budget provides a $17.2 million, or 8 7 percent increase above the 1985–86 level of funding for the Adult Education program.

Item 6100-161-001—For local assistance, Department of Education I delete Provision 21.

I am deleting Provision 21, which would provide a special allocation of $150,000 to the Riverside County Office of Education for the lease of portable classrooms for its special education classes This language would create a deficiency in the appropriation for the special education program The language was appropriate in previous years'

Budget Acts because the County Office's student housing problems could not be resolved through the existing emergency classroom allocation procedures. It now appears that this is a permanent, ongoing cost and should be funded as part of the County Office's regular entitlements for special education. To continue this funding is inequitable as circumstances. The Riverside County Office can and should submit a request to the State Allocation Board which is the agency responsible for approving the allocation of emergency classrooms

"21. Of the funds appropriated in this item, $150,000 shall be available for allocation to the Riverside County Office of Education for the purpose of leasing portable facilities for special education classes."

Item 6100-167-001—For local assistance, Department of Education. I reduce this item from $3,150,000 to $3,000,000 and delete Provision 2

I am eliminating the $150,000 legislative augmentation for the Life Lab Science Program. This program received funding of $130,000 in each of the 1984 and 1985 Budget Acts as a pilot program I believe it would be more appropriate for this pilot program to be thoroughly reviewed through the normal budgetary process or the legislative process to determine its effectiveness before additional General Fund support is provided. In fact, it is my understanding that there is pending legislation which would make this a permanent program. If the Legislature believes this should be a permanent program, funding for this proposal should be contained in the legislation.

I am also deleting Provision 2 to conform with this action.

"2. Of the amount appropriated in this item, $150,000 shall be available to provide funding for the Life Lab Science Program."

Item 6100-181-001—For local assistance, Education Technology. I delete Provision 3.

I am deleting Provision 3 because this provision would have required a specified level of funding for the Institute of Computer Technology, thereby limiting the flexibility to consider and prioritize all needs when budgeting for the State.

"3. The Superintendent of Public Instruction shall allocate funds appropriated in this item to the Institute of Computer Technology according to the following schedule:

ADA	Appropriation
1–10	$245,000
11–20	255,600
21–30	266,200
31–40	276,800
41–50	287,400
51–60	298,000
61–70	308,600
71–80	319,200
81–90	329,800
91–above	340,400

The average daily attendance (ADA) as used in this provision shall be calculated in the manner that ADA is computed for the Regional Occupational Centers and Programs in Article 1 (commencing with Section 52300) of Chapter 9 of Part 28 of the Education Code."

Item 6100-183-001—For local assistance, Health and Physical Education. I reduce this item from $1,677,000 to $677,000,

and delete Provision 4.

I am eliminating the $1,000,000 legislative augmentation to fund school districts to train teachers to provide classroom instruction on sexually transmitted diseases, in particular AIDS. I am opposed to this augmentation because I believe the most effective and efficient approach to disseminating information on AIDS is through a cooperative effort by the Department of Health Services, the Department of Education, and local public health agencies. The AIDS prevention plan I have submitted to the Legislature, and for which I have provided $26.7 million, relies upon such a cooperative effort

I am deleting Provision 4 to conform with this action.

"4 Of the funds appropriated in this item, the Superintendent of Public Instruction shall allocate $1,000,000 to local school districts to train teachers to provide classroom instruction on sexually transmitted diseases, including AIDS These funds shall be allocated only after the submission of a plan from the Department of Education, subject to the approval of the Director of Finance, provided that such expenditure shall not be authorized sooner than 30 days after notification to the Joint Legislative Budget Committee, or not sooner than whatever less time the chairperson of the joint committee, or his or her designee, may determine "

Item 6100-186-001—For local assistance, Instructional Materials I delete Provision 7

I am deleting Provision 7 because this provision would have prohibited the purchase of electronic calculators with Instructional Materials funds appropriated for grades K–8 I believe that this language would unnecessarily restrict publishers from offering, and school districts from purchasing, instructional aids as they deem necessary

"7 Funds appropriated by this item shall not be used for the purchase of electronic calculators "

Item 6100-191-001—For local assistance, Department of Education I reduce this item from $91,816,000 to $85,186,000 by reducing·

(a) Administrator Training and Evaluation Program from $5,020,000 to $4,160,000,

(b) Mentor Teacher Program from $50,020,000 to $45,750,000 and,

(h) Teacher Improvement (DOE/CSU) from $1,592,000 to $542,000,

by eliminating·

(j) Regional Science Resource Centers ($450,000),

and by deleting Provision 12

I am reducing the $1,000,000 legislative augmentation for the Administrator Training and Evaluation Program to $140,000. This action maintains $4,160,000 in funding for this program, which is the level proposed in the budget. This level of funding should enable the existing eleven centers and the central institute to provide necessary training for school administrators

I am also eliminating the $4,270,000 legislative augmentation for the Mentor Teacher Program The $45,750,000 provided in the budget will provide stipends for 5 percent of the teachers to be designated as Mentors and provide sufficient resources for district support of the program

I am also eliminating the $1,050,000 legislative augmentation for the Teacher Improvement Joint Proposal submitted by the Department of Education and the California State University I believe that, given the limited General Fund resources available, the $1,250,000 provided in the budget will allow the segments involved to begin these activities and demonstrate whether additional funding is appropriate based on a required evaluation

I am also eliminating the $450,000 legislative augmentation for Regional Science Resource Centers. I support the concept of such science education and training opportunities for K–12 students and teachers. However, the 1986–87 Budget provides over $10 billion in general purpose revenues, $85.4 million for staff development and teacher training and over $399 5 million for categorical programs that may be used for science education and teacher training in K–12 schools I would, therefore, encourage school districts to review the training techniques being used in such centers and to provide for the emulation of these teachings in science classrooms throughout our schools Consistent with this action, I am deleting Provision 12

"12. Of the amount appropriated in schedule (j) of this item, $225,000 shall be available for a grant to the Exploratorium in San Francisco and $225,000 shall be available for a grant to a regional science resource center to be located at California State University at Northridge "

Despite the reductions, my budget contains $85 4 million for staff development activities in 1986–87. This represents a $72.7 million, or 571 percent increase, over funding provided in 1982–83 The augmentations made are consistent with the intent

of Senate Bill 813, which initiated major reforms in the area of staff development.

Item 6100-196-001—For local assistance, Department of Education. I reduce this item from $283,401,000 to $283,201,000 by reducing.

(b) 30.10.020—Child Care Services from $283,141,000 to $281,549,000,

(b) (1) 30.10.020.001—General Child Development Programs from $206,441,000 to $205,049,000,

(b) (8) 30 10 020 008—Resource and Referral from $7,462,000 to $7,262,000, and

(c) Reimbursements from −$35,202,000 to −$33,810,000,

and by revising Provision 8

I am eliminating the $200,000 legislative augmentation to provide additional Resource and Referral services to counties where the Greater Avenues for Independence (GAIN) program is being implemented. While I believe that referral services will assist GAIN families in securing needed child care, I believe that the $7.5 million level of funding I have provided for Resource and Referral programs will meet the needs of those counties implementing GAIN in 1986–87 Further, the Department of Education has been designated as the State agency eligible to apply for a $440,000 federal grant which will provide funds for the planning, development and improvement of local resource and referral systems. I believe that this grant, coupled with the funds I have provided in the budget for these child care programs, will provide the resources necessary to assist all families, including those participating in GAIN programs

Further, I am making technical revisions to subschedules (b) (1) and (c) to conform to the action that I have taken on the cost-of-living adjustments in Item 6100-226-001 The reduction of $1,392,000 to these subschedules reflects the fact that the cost-of-living adjustment applied to reimbursements in this item will be the same as the cost-of-living adjustment being provided from the General Fund. Consistent with this action, I am revising Provision 8 as follows.

"8. Pursuant to the provisions of Section 10614 of the Welfare and Institutions Code, the Department of Social Services shall report to the Department of Finance the estimated level of child care and development expenditures made by the State Department of Education are eligible for federal reimbursement under the provisions of Article 3.2 (commencing with Section 11320) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code. The Director of Finance is hereby authorized to augment the appropriation if it is determined that the estimate of expenditures eligible for reimbursement will be less than ~~$32,702,000~~ *$31,310,000*

A corresponding reduction shall be made in the level of scheduled reimbursements. The director shall report any such augmentation to the Legislature within 10 days of its occurrence. A sufficient amount is hereby appropriated to the Director of Finance for such purposes."

I am retaining the augmentation of $250,000 for the California Child Care Initiative, which when combined with matching funds, will generate $1,250,000 in new child care services.

With these actions, the budget provides in excess of $320 million from all sources of funding for Department of Education administered child care services for the 1986–87 fiscal year. This represents an increase of $69.4 million, or 27 7 percent, above the level of funding provided for child care services during 1982–83.

Item 6100-211-001—For local assistance, State Library. I reduce this item from $13,148,000 to $11,498,000.

I am eliminating the $1,650,000 legislative augmentation to expand the California Literacy Campaign to 15 new projects during 1986–87. I believe that existing projects should be fully implemented and evaluated for effectiveness prior to expanding the program. Even with this reduction, I have provided an increase of $500,000, or 12.5 percent, over the current year to increase the level of funding for existing projects.

Item 6100-226-001—For local assistance, Department of Education. I reduce this item from $759,229,000 to $731,663,000 by reducing:

(a) (1) K–12 District Revenue Limits from $573,752,000 to $573,484,000

(a) (3) Small School District Transportation Aid from $629,000 to $199,000
(a) (5) Apprentice Programs from $105,000 to $58,000
(a) (6) Regional Occupational Centers and Programs from $11,197,000 to $6,118,000
(a) (8) Transportation from $9,035,000 to $2,859,000
(a) (9) Transportation, Bus Replacement from $99,000 to $31,000
(b) Demonstration Programs in Reading and Mathematics from $233,000 to $127,000
(c) American Indian Education Centers from $27,000 to $9,000
(d) Native American Indian Education from $11,000 to $4,000
(e) Economic Impact Aid from $6,162,000 to $1,950,000
(i) Education Technology from $818,000 to $259,000
(j) Miller-Unruh Reading from $1,059,000 to $579,000
(*l*) Instructional Materials from $1,182,000 to $646,000
(m) Foster Youth Services from $26,000 to $8,000
(n) Specialized Secondary Programs from $66,000 to $21,000
(o) Youth Suicide Prevention from $10,000 to $3,000
(p) Tenth Grade Counseling from $238,000 to $75,000
(q) (2) School Improvement Program (7–12) from $1,016,000 to $321,000
(r) (1) Administrator Training and Evaluation from $128,000 to $42,000
(r) (2) School Personnel Staff Development from $114,000 to $36,000
(r) (3) Bilingual Teacher Training from $26,000 to $8,000
(r) (4) Teacher Education and Computer Centers from $394,000 to $125,000
(s) Preschool Education from $1,121,000 to $355,000
(t) (1) General Child Development from $5,495,000 to $1,737,000
(t) (2) Campus Children's Centers from $194,000 to $61,000
(t) (3) High School Age Parenting and Infant Development from $209,000 to $66,000
(t) (4) Migrant Day Care from $207,000 to $66,000
(t) (5) Special Allowance for Rent from $13,000 to $4,000
(t) (6) Special Allowance for Handicapped from $22,000 to $7,000
(t) (7) Alternative Payment Program from $808,000 to $257,000
(t) (8) Resource and Referral from $229,000 to $73,000
(t) (9) Campus Child Care and Tax Bailout from $126,000 to $40,000
(t) (10) Protective Services from $32,000 to $10,000
(t) (11) Extended Day Care from $484,000 to $153,000
(v) (1) Urban Impact Aid, Unified School Districts from $2,081,000 to $659,000
(v) (2) Urban Impact Aid, Nonunified School Districts from $303,000 to $96,000
(w) Meade Aid from $326,000 to $103,000
(x) Statewide Library Support and Development from $348,000 to $110,000,

and by revising language in Schedule (a) (1),

I am reducing the COLA for K–12 district revenue limits from $573,752,000 to $573,484,000 by eliminating the $268,000 legislative augmentation for a 3 16 percent COLA for the excess cost of operating continuation high schools I believe that the $8.5 million in the base budget provides sufficient funding for these excess costs and that an additional COLA is unwarranted

To conform with this action, I am revising the language added to the Schedule of this item by the Legislature to specifically provide for this COLA:

"(a) 10 10—School Apportionments·

(1) 10.10.001 001—K–12 Districts, for the purpose of paragraph (1) of subdivision (b) of Section 42238 of the Education Code ~~and for programs operated pursuant to Section 42243.7 of the Education Code~~ (for transfer to Item 6100-101-001) . . .. ~~573,752,000~~ *573,484,000*"

I am eliminating a $27,298,000 legislative augmentation for certain programs receiving discretionary COLAs The funds remaining in the budget after this reduction will provide a 3 0 percent COLA for programs with a substantial portion of costs tied to salaries and wages of school employees and a 1 percent COLA for other discretionary programs.

0 31 50 0

With this reduction, I am providing the full statutory COLA of 5.49 percent and a total level of funding for all K–12 COLAs of $731.7 million.

Item 6100-490—For support of Department of Education I eliminate the reappropriation made in Schedule 7 of this item for the establishment of Education Policy Trust Agreements

I am eliminating this reappropriation because I believe that a proposal for this new activity should be dealt with through legislation or submitted for consideration through the normal budget process so that a thorough analysis of its merits can be considered.

"7. Schedule (c) of Item 6100-191-001 of the Budget Act of 1984, $75,000 for the purpose of facilitating establishment of Education Policy Trust Agreements in school districts as proposed by the Commission on the Teaching Profession Report."

Item 6360-001-407—For support of Commission on Teacher Credentialing. I reduce this item from $7,968,000 to $7,826,000 by reducing.

(a) 10—Standards for Preparation and Licensing of Teachers from $7,682,000 to $7,540,000.

I am reducing $5,000 for merit salary adjustments that can be funded through existing resources, and $137,000 in operating cost increases due to a reduction in the inflation rate

Item 6420-001-001—For support of California Postsecondary Education Commission I reduce this item from $3,771,000 to $3,571,000 by reducing

(a) 100000—Personal Services from $2,561,000 to $2,540,000

(b) 300000—Operating Expenses and Equipment from $1,413,000 to $1,234,000, and deleting Provision 3.

I am reducing $21,000 for merit salary adjustments that can be funded through existing resources, and $22,000 in operating cost increases due to a reduction in the inflation rate.

I am eliminating the $57,000 legislative augmentation to fund a study of higher education space standards The University of California and the California State University have agreed to contribute $200,000 towards a study of space standards in higher education If additional funds are required, the segments, which are the primary beneficiaries of such a study, should be willing to provide all the necessary funds

I am eliminating the $50,000 legislative augmentation to fund a study by the California Postsecondary Education Commission (CPEC) on performance-based budgeting models This study is within CPEC's scope of responsibilities and can be accomplished within existing resources

I am deleting Provision 3 to conform with this action

"3. Of the funds appropriated in this item, $50,000 shall be available only for expenditure for support of the Talent Development Study upon approval of the Director of Finance, pursuant to the provisions of Section 28.00 "

I am also eliminating the $50,000 legislative augmentation for a study by CPEC of student attitudes towards their education This study is within CPEC's scope of responsibilities and can be accomplished within existing resources

Even after these reduced augmentations, the California Postsecondary Education Commission will have an increase of $747,000, or 23 2 percent, above the amount available in the current year

Item 6440-001-001—For support of University of California. I reduce this item from $1,738,678,000 to $1,714,691,000 by reducing.

(a) Support from $1,720,363,000 to $1,697,076,000,

and deleting Provisions 7, 13, and 14

I am eliminating the $2,000,000 and 75 positions legislative augmentation for janitorial services The need for these services is the subject of a study by a private consultant and will be reported this Fall To conform to this action, I am deleting Provision 13

"13 Of the funds appropriated in Schedule (a), $1,500,000 is available for additional janitorial services It is the intent of the Legislature that these additional services shall be performed by university employees only, and not by contract

personnel."

I am also deleting the language in Provision 14 of this item This language, which requires the University to comply with State-agency procedures for use of personal contacts, diminishes the authority and flexibility of UC to manage efficiently within available resources.

"14. The University of California shall adhere to Section 19130 of the Government Code (Standards for Use of Personal Contracts) in the same manner as other state agencies."

I am reducing $8,600,000 for merit salary adjustments that can be funded through existing resources, and $11,946,000 in operating cost increases due to a reduction in the inflation rate.

I am eliminating the $1,287,000 legislative augmentation for expansion of the 4-H program for urban minority youth. The University has a public service program level of $73 million The cooperative extension part has a resource base of $45 million. If the UC deems this program to be a high priority, part of the $45 million base could be used for its support Fiscal constraints on the State dictate that no additional funds should be bugeted for this purpose

I am eliminating the $154,000 legislative augmentation for the Puente Project. No evidence has been provided that this program is an improvement over current University of California and Community College programs with similar objectives

I am also reducing Schedule (a) by $300,000 to correct a technical error in the enrolled Budget Bill. This action does not affect the amount appropriated in the item.

Because of the importance of research on AIDS to the public health of the State and the nation, I have proposed an increase of $2,000,000 to the University's budget for such research Although these funds are intended to be allocated by the University to non-profit organizations outside the University as well as to be used for University-sponsored research, I believe Provision 7, which was added by the Legislature, will result in some low-quality research projects being funded or in a significant portion of these funds being reverted to the General Fund Given the importance of this research, either prospect is undesirable. I, therefore, am deleting Provision 7·

"7 Of the Funds appropriated in Schedule (f), $8,200,000 shall be available only for expenditure to support research into Acquired Immune Deficiency Syndrome (AIDS) within the University of California, and a total of $1,000,000 is available to support AIDS research conducted by non-profit organizations outside of the university If the University AIDS Task Force is unable to use this entire $1,000,000 amount on such nonuniversity projects, the unused amount shall revert to the General Fund "

After consideration of these reductions, I have provided for an increase of $149,224,-000 from the General Fund for operation of the University of California This represents an increase of 9.1 percent in the University's budget.

Item 6600-001-001—For support of Hastings College of the Law. I reduce this item from $10,686,000 to $10,553,000.

I am reducing $60,000 for merit salary adjustments that can be funded through existing resources, and $73,000 in operating cost increases due to a reduction in the inflation rate.

After consideration of that reduction, the Hastings College of the Law will have an increase of $4,270,000, or 60.7 percent, above the amount expended in 1982–83 fiscal year

Item 6610-001-001—For support of California State University. I reduce this item from $1,325,694,000 to $1,311,452,000 by reducing.

(d) 05—Student Services from $124,797,000 to $124,078,000,

(e) 06—Institutional Support from $345,113,000 to $344,038,000,

(g) Special Adjustment-Cost-of-Living from $164,000 to $82,000,

(h) Provision for Allocation from −$13,412,000 to −$25,778,000,

and deleting Provision 9.

I am eliminating the $719,000 and 26.6 personnel years augmented by the legislature for the learning disabled program. The budget includes $4 2 million for this program,

reflecting a 44 percent increase over the past four years I believe it is premature to provide additional funding until the California Postsecondary Education Commission (CPEC) completes its review of services to disabled students, pursuant to the requirements of ACR 3. CPEC is charged with developing a plan to achieve specific goals geared towards the disabled student who is able to benefit from higher education, and developing a long-term funding approach which reflects actual costs for postsecondary education services to disabled students

I am also eliminating the $1,075,000 legislative augmentation for pilot programs designed to facilitate minority students' preparation for college and improve teacher preparation programs I have already provided $1,250,000 for the Department of Education (DOE) and CSU to implement these pilot programs and I believe it is premature to fund these services at a higher level until CSU and DOE have demonstrated the effectiveness of the pilot programs

I am eliminating the $82,000 legislative augmentation in Student Services for operating cost increases due to a significant reduction in the inflation rate I have provided $19 5 million to maintain Educational Opportunity Program services for 23,256 new and continuing students, including a 1 percent discretionary cost-of-living-adjustment

I am also reducing $6,918,000 for nonfaculty merit salary adjustments that can be funded through existing resources, and $3,448,000 in operating cost increases due to a reduction in the inflation rate

I am also eliminating the $2,000,000 legislative augmentation which would have deleted the General Fund sharing in the revenues generated by the Concurrent Enrollment Program Last year I proposed that the State should share in the additional revenue generated by students who are enrolled in courses funded primarily from the General Fund Students who are participating in the Concurrent Enrollment Program and who pay extension fees rather than General Fund State University fees will generate an estimated $6,700,000 By retaining a General Fund share of this revenue ($2,000,000), CSU will still have $4,700,000 to further supplement instructional programs

I am also deleting Provision 9 which prohibits the use of State funds for intramural athletics and orientation to the University and library I believe this is an infringement on CSU's statutory authority to determine the academic merits of course offerings

"9 Effective Winter Quarter (or Spring Semester) 1987, no funds shall be appropriated for enrollment in courses for participation in intramural athletics, student orientation to the university, or student orientation to the campus library, if these courses, upon review, are determined not to be academically based The chancellor, with the advice of the Academic Senate, shall develop guidelines, including criteria for identifying these courses. This provision shall be implemented by January 1, 1987 The chancellor shall submit a report to the Joint Legislative Budget Committee by March 30, 1987, on the guidelines, including a description of the process for developing the guidelines and a list of the courses affected "

I am also requesting CSU to disregard the broader authority which the Legislature has provided by its action of removing language which prohibited CSU as a salary setting authority from using, for employee compensation increases, monies other than what is specifically appropriated for compensation increases I am taking this action because I do not believe it is sound fiscal policy The Legislature did not extend this same authority to the University of California, Hastings College of the Law or to Civil Service and Related employees If CSU decides to use this broader authority, I am asking it to report back to the Legislature for concurrence

I am also requesting CSU to disregard Supplemental Language which declares legislative intent that administrative positions will take a proportionate share of any unallocated budget reductions or unfunded provisions This provision constitutes an undue restriction upon CSU's statutory authority and I believe it is inappropriate to require 25 percent of any such reduction to be taken from the Instructional Program Further, I believe that such a legislative direction may be unconstitutional as it requires CSU to make changes conditional on future Gubernatorial veto action The language is also nebulous in that the term "unfunded provisions" does not provide

sufficient specificity to permit the reductions to be reasonable.

With these changes, CSU's General Fund budget for 1986–87 has increased 7.7 percent over the current year.

Item 6610-031-001—For support of Trustees of the California State University and the California State University, for augmentation for employee compensation

I am requesting CSU to disregard the broader authority which the Legislature has provided by its action of removing language which prohibited CSU, as a salary setting authority from using, for employee compensation increases, monies other than what is specifically appropriated for compensation increases I am taking this action because I do not believe it is sound fiscal policy The Legislature did not extend this same authority to the University of California, Hastings College of the Law or to Civil Service and Related employees. If CSU decides to use this broader authority, I am asking it to report back to the Legislature for concurrence.

I am also requesting CSU to disregard Supplemental Language which declares legislative intent that faculty salary increases go into effect July 1, 1986 regardless of other unsettled collecting bargaining issues The Legislature enacted collective bargaining and the CSU faculty voted for it; including negotiation of the effective date for salary increases. The Supplemental Language contradicts the spirit and letter of the Higher Education Employer-Employee Relations Act If the Legislature believes that the Act is inappropriate, legislation should be introduced to address the Legislature's concerns.

Item 6610-301-782—For capital outlay, Trustees of the California State University and the California State University. I delete Provision 7.

I am deleting Provision 7 because legally appropriated capital outlay funds should not be subjected to staff level approval prior to allocation for preliminary planning In taking this action, however, I urge the California State University to strive to produce a project that is within the spirit of Provision 7 and within appropriated funds

"7. Provided that the funds appropriated under this item for preliminary planning for Remodel Arts and Industry Building and Addition project at San Francisco shall not be allocated to the CSU system until the Chancellor's Office, the Department of Finance and the Legislative Analyst's Office have agreed on the appropriate project scope that is consistent with existing state space guidelines as applied to the disciplines to be housed in the new/remodelled facilities"

Item 6860-001-001—For support of California Maritime Academy I reduce this item from $6,158,000 to $6,068,000 by reducing:

(c) 30—Student Services from $3,375,000 to $3,285,000

I am reducing $43,000 for merit salary adjustments that can be funded through existing resources, and $47,000 in operating cost increases due to a reduction in the inflation rate.

Item 6870-001-001—For support of Board of Governors of California Community Colleges. I reduce this item from $7,463,000 to $7,360,000 by reducing.

(a) 10—Apportionments from $1,514,000 to $1,501,000,

(b) 20—Special Services and Operations from $8,201,000 to $8,111,000,

(c) 30.01—Administration from $3,395,000 to $3,363,000, and

(d) 30.02—Administration-Distributed from −$3,395,000 to −$3,363,000.

I am reducing $58,000 for merit salary adjustments that can be funded through existing resources, and $45,000 in operating cost increases due to a reduction in the inflation rate.

Item 6870-101-001—For local assistance, Board of Governors of California Community Colleges. I reduce this item from $1,243,919,000 to $1,228,407,000 by reducing:

(a) 10—Apportionments from $1,158,366,000 to $1,158,080,000,

(b) 20.10.010—Community College Extended Opportunity Programs and Services from $30,630,000 to $29,299,000,

(c) 20.10.020—Disabled Students from $29,165,000 to $25,844,000,

(d) 20.10.050—Transfer Centers from $2,318,000 to $1,818,000,

(e) 20.20 020—Partial Financing of Academic Senate for California Community Colleges from $111,000 to $110,000,

(f) 20.30 020—Instructional Inprovement from $539,000 to $536,000,

(g) 20.40.020—Deferred Maintenance from $12,740,000 to $12,670,000,

by eliminating.

(ex) 20.20.040—Staff Development $10,000,000,

and deleting Provisions 18 and 19, and by revising Provisions 3, 4 and 12.

I am eliminating the $200,000 legislative augmentation for district data collection related to the transfer center pilot program evaluation project The districts already have resources designated for data collection and statistical activities It is appropriate that the districts utilize these existing resources for the evaluation project as part of their participation in the transfer center pilot program.

I am eliminating the $214,000 legislative augmentation for the Puente Project, which is a joint project between the University of California and the Community Colleges. The purpose of this program, which is to assist Hispanic students in transferring from community colleges to the University of California, duplicates the purposes of existing programs, such as Equal Opportunity Programs and Services (EOPS), for which I have budgeted $29,299,000, and the transfer center pilot program, for which I have budgeted $1,818,000 This action conforms to the action I have taken in Item 6440-001-001

I am eliminating the legislative augmentations of $2,708,000 for cost-of-living adjustments in the Apportionments, Employer-Based Training, EOPS, Disabled Students, Transfer Center, Academic Senate, Instructional Improvement and Deferred Maintenance Programs. Due to the reduction in the inflation rate, I am retaining $657,000 for a 1 0 percent cost-of-living adjustment in these programs, which is consistent with that provided for other categorical programs. I am also eliminating the $247,000 legislative augmentation for a cost-of-living adjustment in the Apprenticeship Program I am retaining $297,000 for a 3.0 percent cost-of-living adjustment for this program, which is consistent with that provided for high school apprenticeship programs in Item 6100-101-001

In accordance with the above action, I am revising Provisions 3, 4 and 12, as follows:

"3. Of the amount appropriated in Schedule (a), up to ~~$10,121,000~~ *$10,174,000* shall be available as necessary upon certification by the Chancellor of the California Community Colleges for the purpose of funding community college related and supplemental instruction pursuant to Section 3074 of the Labor Code as provided in Section 8153 of the Education Code No community college district shall use funds available under this provision to offer any new or expansion of apprenticeship training program (s) unless that program (s) has been approved by the Chancellor

"4 Of the amount in Schedule (a), up to ~~$3,978,000~~ *$3,939,000* may be allocated by the Chancellor for the funding of employer-based job training programs of the type funded pursuant to Provision 12 of Item 6870-101-001 of the Budget Act of 1982. These programs shall be consistent with the intent of that provision and with the criteria adopted by the Board of Governors for allocating funds under that provision.

"12 Notwithstanding Section 8152 of the Education Code, each 60-minute hour of teaching time devoted to each indentured apprentice enrolled in and attending classes of related and supplemental instruction as provided under Section 3074 of the Labor Code shall be reimbursed at the rate of three dollars and ~~eighty/five cents ($3 85)~~ *seventy-six cents ($3 76)* per hour For purposes of this provision, each hour of teaching time may include up to 10 minutes for passing time and breaks "

I am eliminating the $10,000,000 legislative augmentation for staff development. The 1986–87 budget includes $500,000 for a comprehensive study of staff development across all levels of public education, including K–12, the community colleges, the California State University and the University of California The study, which will be directed by the California Postsecondary Education Commission, will address needs and recommend policies for State funding of staff development programs. Until the study is completed, additional funding for this purpose is inappropriate.

In accordance with this action, I am deleting Provision 18.

0 34 5 0

"18. The amount appropriated in schedule (ex) shall be available for staff development in community colleges The Chancellor's Office shall allocate these funds to districts on the basis of ADA and subject to the approval of the Department of Finance In addition, funding for staff development shall be contingent upon review and approval by the Joint Legislative Budget Committee pursuant to Section 28.00."

I am eliminating the $2,143,000 legislative augmentation for the Disabled Student Program These funds were requested to serve additional disabled students in the community colleges While I am supportive of this program, I believe it is critical that the Chancellor's Office provide better information on the number of students needing services and the cost of providing services Until such information is provided, we cannot determine the need for additional funding and cannot, therefore, justify this augmentation.

I am deleting Provision 19, which would prohibit the Los Angeles Community College District from implementing reforms and receiving aid for declining enrollments until the district submits a report demonstrating that its reforms will not cause a decline in student access

"19. The Legislature finds and declares that there shall be a moratorium on the implementation of the Los Angeles Community College District reform plan Further, that no funds shall be allocated to the Los Angeles Community College District for declining enrollment unless the district submits a report to the Chancellor's Office on its district reform plan, including, but not limited to, an impact assessment on student access, student enrollment, faculty displacement, reassignment, terminations, and management and a description, in detail, of the plan for layoffs, reassignment, discontinued programs in divisions, departments, and student services offices, and other management actions

This study shall be submitted to the Chancellor's Office for its review to determine whether the proposed plan will cause a decline in student access If the Chancellor's Office determines that there will be a decline in student access, the district will not be eligible for any declining enrollment funds pursuant to this item

The Chancellor's Office shall certify to the Director of Finance and the Joint Legislative Budget Committee whether declining enrollment funds should be allocated to the Los Angeles Community College District "

Management of community college districts is a local responsibility The Los Angeles Community College District is facing a severe financial crisis and must make some difficult decisions. If the Legislature believes that there should be additional oversight of local community college governing boards, then it should address its concerns through separate legislation, rather than through the Budget Act

As a result of my actions, the total General Fund local assistance budget for community colleges for 1986–87, including this Item and Item 6870-111-001, will be $84 3 million higher than for the current year, which is a 7 1 percent increase.

Item 6870-101-782—For local assistance, Board of Governors of California Community Colleges I revise Provision 1 of this item.

I am revising Provision 1, as follows·

"1 The amount appropriated in this item is available on a one-time basis for the purpose of providing community college districts with funds to replace instructional equipment. The Chancellor shall allocate these funds to the districts provided that any allocation would be subject to a 25 percent local match. ~~The Chancellor shall establish criteria for the waiver of the matching requirement for any district which, in his or her judgment, cannot provide matching funds without financial hardship. The Chancellor shall consult with the Department of Finance, and prior to granting the initial waivers, shall obtain the approval of the Director of Finance on the criteria.~~ "

Community college districts have historically allocated a portion of their apportionments funding for instructional equipment and it is appropriate that the districts maintain this effort. With maintenance of district efforts, the additional State funding

will enable districts to quadruple their resources for instructional equipment. This incentive should encourage districts to maximize funding for this high priority item.

Item 6870-101-909—For local assistance, Board of Governors of the California Community Colleges I reduce this item from $723,000 to $720,000, and revise language in Provision 1

I am eliminating the legislative augmentation of $3,000 for a cost-of-living adjustment in the Instructional Improvement Program. I am retaining $3,000 for a 1.0 percent cost-of-living adjustment in this program, which is consistent with that provided for other categorical programs The conforming action will also be reflected in nonbudget act Item 6870-601-909 Consistent with this action, I am revising Provision 1 as follows

"1 Of the amount appropriated by this item, not more that ~~$539,000~~ *$536,000* shall be allocated for grants and not more than $184,000 shall be allocated for loans."

Item 6870-111-001—For local assistance, Board of Governors of California Community Colleges I revise Provision 1 of this item

As I have committed in prior messages, I am retaining this $21,000,000 for assessment, counseling, placement and follow-up I support the implementation of services aimed at ensuring the success of students in community colleges. The Commission for the Review of the Master Plan for Higher Education has reviewed and endorsed the need for these services It is now time to begin implementation. As part of the plan that the Chancellor's Office will be developing and the Department of Finance approving for this new program, I will be expecting that this plan will incorporate the necessary changes to implement the Commission's recommendations concerning access, success, remediation and evaluation These recommendations combine open access with clearly defined academic standards, as well as strengthen current probation and dismissal standards for students, require the assessment, counseling, placement and follow-up program be mandatory, require enrollment in remedial courses be mandated based on this program, require the establishment of a limit to the number of units of remedial coursework a student may take, and require an evaluation of the effectiveness of this program

I am revising Provision 1 by eliminating the language which requires the Joint Legislative Budget Committee to approve the plan for allocating this funding, pursuant to Section 28 00 of the Budget Act I believe this is an inadvertent technical error. Section 28 00 is a finely tuned, carefully crafted control section which recognizes the separation of powers between the Executive and Legislative branches of State Government The retention of the approval language in this item would contravene that Section

"1 The amount appropriated in this item is available for assessment and counseling programs known as matriculation This amount shall be allocated to districts based upon a plan developed by the Chancellor's Office and approved by the Department of Finance. Funding for the Chancellor's Office Plan shall be contingent upon its review ~~and approval~~ by the Joint Legislative Budget Committee pursuant to Section 28 00 "

Item 6870-301-782—For capital outlay, Board of Governors of the California Community Colleges I reduce this item from $41,681,000 to $32,731,000 by eliminating the Los Angeles Mission College project:

Los Angeles Mission College

(19) 40.76.404—Construct instruction and administration building, $8,950,000

I am eliminating this project because the Los Angeles Community College District is experiencing declining enrollment and major capital expansions may not be a prudent course of action at this time. Recent local developments further suggest that the district may, in fact, need to dispose of the Mission College site

Item 7980-001-001—For support of Student Aid Commission I reduce this item from $6,425,000 to $6,276,000 by reducing·

(a) Personal Services from $7,218,000 to $7,069,000,

(b) Operating Expenses and Equipment from $17,812,000 to $17,737,000, and

(d) Amount payable from the State Guaranteed Loan Reserve Fund (Item 7980-

001-951) from −$18,411,000 to −$18,336,000

I am reducing $71,000 for merit salary adjustments that can be funded through existing resources, and $78,000 in operating cost increases due to a reduction in the inflation rate.

I am also reducing both categories (b) and (d) by $75,000 for the student indebtedness study directed by ACR 133 of the 1985–86 Regular Session to conform to my action on Item 7980-001-951.

Item 7980-001-951—For support of Student Aid Commission I reduce this item from $18,411,000 to $18,336,000 and revise Provision 1.

I am reducing this Item by $75,000 to eliminate funds for conducting the student indebtedness study directed by ACR 133, 1985–86 Regular Session Student indebtedness has already been documented both nationwide and in California so I question the value of further study Moreover, the source of funding for this proposal comes from the indebted students themselves (the borrowers under the Guaranteed Loan Program) These funds should be conserved for their intended purpose Consistent with this action, I am revising Provision 1 as follows

"1. The funds appropriated in this item are for the following:

(a) State Guaranteed Student Loan Program	79,000
(b) State Guaranteed Student Loan Program, for purposes of Chapter 1201, Statutes of 1977	18,257,000
~~(3) State Guaranteed Student Loan Program, for purposes of conducting the student indebtedness study in accordance with Assembly Concurrent Resolution 133 of the 1985/86 Regular Session . . . . . .~~	~~75,000~~"

Item 7980-101-001—For local assistance, Student Aid Commission I reduce this item from $113,175,000 to $112,314,000 by reducing

(f) Bilingual Teacher Grants from $2,547,000 to $1,711,000,

(g) California Student Opportunity and Access Program from $522,000 to $497,000

I am reducing $836,000 of the legislative augmentation for the Bilingual Teacher Grant Program. This program has not been effective Despite its five years of operation, there is a shortage of almost 9,000 bilingual teachers in the State The Student Aid Commission reports that the program needs to be revised The Office of the Legislative Analyst also has been critical of this program I am retaining $1,711,000 for this program in the budget so that all students who are currently receiving a bilingual grant and wish to renew it for the 1986–87 academic year may do so. No existing recipient will be deprived of continuing financial aid Furthermore, this budget provides $1,470,000 for 1,000 new Cal Grant B awards so students that formerly applied for first time bilingual grants will continue to qualify for State aid

I am also eliminating the $25,000 legislative augmentation for the Student Opportunity and Access Program (CALSOAP)

Furthermore, I believe that the outreach activities, including counseling, that are part of CALSOAP are a proper function of educational institutions. The Student Aid Commission has no particular expertise in these areas Both the University and the State University systems have ongoing outreach programs and I provided a $500,000 augmentation for the University for 1986–87 for these purposes The most effective way to increase accessibility and to make postsecondary educational opportunities available to low-income and ethnic minority students is through institutional information and recruiting programs.

Item 8100-101-001—For local assistance, Office of Criminal Justice Planning I reduce this item from $23,387,000 to $22,787,000 by eliminating·

(gg) 50 41.050—National Center for Hyperactive Children $100,000, and by reducing:

(k) 50.61.020—Child Sexual Abuse Prevention and Training from $1,392,000 to $892,000,

and deleting Provision 5.

I am eliminating the $100,000 legislative augmentation for the National Center for Hyperactive Children program. This program provides delinquency intervention

services for high-risk, anti-social boys in the Los Angeles area I have funded several programs to provide statewide delinquency intervention services, such as (1) the three-year pilot project with the Department of Justice and the Department of Education to study the correlation between hyperactivity and juvenile delinquency, (2) the prevention programs in the Department of the Youth Authority to reduce the probability of at-risk youths from committing illegal acts; and (3) the Primary Prevention Projects in the Department of Mental Health which are designed for the early detection and prevention of emotional, behavioral, and learning problems in primary grade children

I am also eliminating the $500,000 legislative augmentation for a child sexual abuse treatment program in the International Center for the Extended Family. I have provided $1.1 million in the Office of Criminal Justice Planning for child sexual abuse programs, including $700,000 to continue the current level of state funding for the International Center for the Extended Family in San Jose and a comparable agency in Southern California which trains service providers I am deleting Provision 5 to conform with this action

"5 Of the amount in Schedule (k), $500,000 is for allocation to the International Center for the Extended Family None of these funds may be expended sooner than 30 days after notification in writing by the Director of Finance of the receipt thereof, including a program expenditure plan, to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may in each instance determine."

Item 8100-101-014—For local assistance, Office of Criminal Justice Planning I eliminate this item and delete Provisions 1 and 2

I am eliminating this item of $1,150,000 because, while training and enforcement programs for the toxics area are important, all aspects of the toxics program should be part of an organized, coordinated effort and not a piecemeal approach

I am deleting Provisions 1 and 2 to conform with this action

"1 Of the amount appropriated in this item, $400,000 shall be for a contract with the California District Attorney's Association for the purpose of training district attorneys and investigative personnel on toxics enforcement matters."

"2. Of the amount appropriated in this item, $750,000 shall be for the purpose of funding five toxics enforcement pilot programs in different counties "

Item 8100-101-425—For local assistance, Office of Criminal Justice Planning I reduce this item from $11,937,000 to $11,720,000 by reducing:

(b) 50.21.020—Rape Crisis Program from $3,092,000 to $2,875,000

and deleting Provision 2

I am eliminating the $217,000 legislative augmentation for additional support to rape crisis centers The total funds awarded by the State for the rape crisis centers will increase from $3,200,000 for 1985–86 to $4,596,000 for 1986–87, a 44 percent increase. Further, the projected balance in the Victim/Witness Assistance Fund is minimal and should be maintained due to fluctuating revenues I am deleting Provision 2 to conform with this action

"2 Of the $217,000 augmentation appropriated in Schedule (b), none of these funds shall be used to support the four rape crisis centers that are scheduled to receive extraordinary grants in the 1986–87 fiscal year "

Item 8180-101-001—For local assistance, payment to counties for the costs of homicide trials. I reduce this item from $2,106,000 to $2,000,000.

I am eliminating the $106,000 legislative augmentation for county homicide trial costs. There are sufficient funds available to pay for homicide trial costs for those counties which are reimbursable under current law, as amended by Chapter 32, Statutes of 1986. Funding of homicide trial costs to those counties which are not reimbursable under current law would serve no useful purpose because there is no authority to expend such funds.

0 35 30 0

Item 8260-101-001—For local assistance, California Arts Council. I reduce this item from $10,335,000 to $10,000,000 by reducing.

(b) 20—Organizational Grants from $6,474,700 to $6,310,700,

(c) 25—Performing Arts Touring/Presenting Program from $668,000 to $597,000,

(d) 40—Statewide Projects from $1,750,000 to $1,650,000,

and deleting Provision 2.

I am reducing $335,000 from the legislative augmentation of $983,000 for the local assistance, grants and subventions for the California Arts Council I have retained $648,000, which is a 7 percent increase above my original budget This will provide a $336,000 increase to the Multi-Cultural Art Development Program and $312,000 to the Performing Arts Touring/Presenting Program

In line with my action on this item, I am deleting Provision 2

"2 Of the amount appropriated for Program 20 40 (Support to Prominent Organizations), up to $250,000 shall be available for expenditure on Program 20.70 (Multi-Cultural Arts Development) on a dollar-for-dollar basis if funds for Program 20.70 (Multi-Cultural Arts Development) are reduced by executive action."

Item 8290-001-001—For support of the California Public Broadcasting Commission I eliminate this item.

The Budget Act of 1984 contained an appropriation of $125,000 to the Department of Education for minority operated radio stations. This augmentation was provided as one-time assistance while the stations pursued more permanent sources of funding for on-going operations. As I indicated in the 1985 Budget Act, I believe these stations have been afforded sufficient time to gain independence In addition, I believe it is more appropriate for public broadcasting support to come from viewers, foundations, and other private sources. As a conforming action I am eliminating Provision 1

"1 Of the amount appropriated by this item, $160,000 shall be allocated to the Federation of Minority Broadcasters "

Item 8300-001-001—For support of Agricultural Labor Relations Board I delete Provision 1

Provision 1 would unnecessarily increase the number of cases being litigated by the Agricultural Labor Relations Board and restrict the Board's ability to review all options and provide effective services The provision attempts to restrict statutory authority vested in the General Counsel and the Board This is an infringement on the separation of powers in that it usurps Executive Branch authority to effectively administer this program. Therefore, I am deleting Provision 1 of this item

"1 None of the funds in this item shall be available for expenditure by the Board or the General Counsel for the purpose of unilaterally settling unfair labor practice charges, complaints, or Board decisions before or after judicial review, over the charging parties' objections "

Item 8350-001-001—For support of Department of Industrial Relations I reduce this item from $106,153,000 to $103,935,000 by reducing

(c) 30—Preventing, Settling, Adjudicating and Administrating Disputes under Workers' Compensation Laws, from $47,316,000 to $46,769,000,

(d) 40—The Prevention of Industrial Injuries and Deaths of California Workers, from $43,527,000 to $42,732,000,

(j) 94.01—Administration, from $12,281,000 to $11,355,000, and

(v) Amount payable from the Asbestos Abatement Account (Item 8350-001-973) from −$150,000 to −$100,000,

and revising Provision 1 and deleting Provision 2

I am reducing the Department of Industrial Relations' budget by $2,218,000 to eliminate certain augmentations made to the Governor's Budget This reduction includes $745,000 and 15 positions to augment staffing to conduct mandatory and discretionary health and safety compliance inspections The current budget of $42,732,000 and 630.7 personnel years provides an adequate level of funding and staffing to conduct all mandatory and discretionary health and safety compliance inspections

I am eliminating the $547,000 and 14.5 personnel years (5 Judge Teams) legislative

augmentation for the Workers' Compensation Appeals Board (WCAB). The current budget of $46,858,000 and 780.5 personnel years provides an adequate level of funding to accomplish the existing workload.

I am reducing $926,000 for purposes of reducing salary savings to 5.5 percent. The Department's existing 6.7 percent is below the 10.8 percent historical average for the Department

I am reducing the amount payable to this item from the Asbestos Abatement Account (Item 8350-001-973) by $50,000 for purposes of compliance inspections and monitoring of school asbestos abatement projects The Department of Industrial Relations can provide the same services within their existing resources of $25,990,000 and 380 6 personnel years

I am revising Provision 1, to conform to the above action.

"1 Of the funds appropriated for support of Schedule (d), ~~$150,000~~ *$100,000* transferred from Item 8350-001-973 shall be encumbered for (a) routine compliance activities of the Cal-OSHA field enforcement program related to school site asbestos abatement projects and (b) monitoring and compliance inspections covering a 10 percent random sample of school asbestos abatement projects."

In addition, I am also deleting Provision 2 to conform to this action

"2 Of the funds appropriated in Schedule (d) for support of Cal-OSHA field enforcement activites, $745,000 shall be encumbered as follows:

(a) $298,000 shall be for the support of six industrial hygienists to augment basic occupational health enforcement inspections in order to provide sufficient staffing statewide to accomplish all mandatory health enforcement inspection activities;

(b) $199,000 shall be for support of discretionary occupational health enforcement inspections in northern (two industrial hygienists) and southern (two industrial hygienists) California; and

(c) $248,000 shall be for the support of five safety engineers to enhance discretionary safety enforcement inspections in southern California."

Item 8350-001-973—For support of Department of Industrial Relations. I reduce this item from $150,000 to $100,000.

I am eliminating a $50,000 legislative augmentation for purposes of compliance inspections and monitoring of school asbestos abatement projects The Department of Industrial Relations can provide the same services within their existing resources of $25,990,000 and 380 6 personnel years. The reduction in this item corresponds to the action I have taken in Item 8350-001-001

Item 8570-001-001—For support of Department of Food and Agriculture. I reduce this item from $68,439,000 to $68,409,000 by reducing:

(a) 10—Pesticide Regulatory Program from $22,705,000 to $22,675,000

I am eliminating the $30,000 legislative augmentation for the initiation of studies required for the registration of the biological control agent baculovirus. I have, however, retained $70,000 for this purpose. Consistent with the treatment of other pest control agents, any additional studies should be funded by the manufacturer of the product, or by the industry which would benefit by the availability of the agent.

Item 8570-101-001—For local assistance, Department of Food and Agriculture. I reduce this item from $10,992,000 to $10,942,000 by reducing:

(b) 20—Plant Pest and Disease Prevention from $7,636,000 to $7,586,000

I am eliminating the $50,000 legislative augmentation for control of the invasive plants, parrots feather and yellow primrose. Based upon a priority system which considers the magnitude of the problem, the potential for control or eradication, the ability of local entities to deal with the problem, and the potential adverse effects of the plant, the Department of Food and Agriculture has determined that this project does not require State funding. Instead, the department will utilize the $10.6 million that is budgeted for control and eradication work on projects that require a statewide approach and which, if left uncontrolled, could result in significant environmental and economic problems.

Item 8660-001-412—For support of the Public Utilities Commission. I reduce this

item from $17,480,000 to $17,391,000 by reducing:

(a) 100000—Personal Services from $46,279,000 to $46,059,000,

(b) 300000—Operating Expenses and Equipment from $21,599,000 to $21,546,000,

(g) Amount payable from the Public Utilities Commission Transportation Reimbursement Account, General Fund (Item 8660-001-461) from —$3,637,000 to —$3,620,000, and

(h) Amount payable from the Public Utilities Commission Utilities Reimbursement Account, General Fund (Item 8660-001-462) from —$38,393,000 to —$38,226,000.

I am reducing this item by $89,000 and the scheduled expenditures that flow through this item by $184,000 to reflect the following action

I am eliminating a legislative augmentation of $273,000 and 4 positions (3 attorneys and 1 clerical) for the Commission to increase legal representation in matters before federal agencies and federal courts. The Commission has not provided workload information to substantiate its request for additional resources In addition, the Commission already has 44 attorneys for legal activities, of which three are new positions The PUC has also been provided increased computer capability to enhance staff efficiency These resources are sufficient to carry out is responsibilities, including federal legal proceedings

This item reflects the reduction of $17,000 and $167,000 from the amounts payable from the Transportation Reimbursement Account and Utilities Reimbursement Account, respectively, to correspond to actions taken on Items 8660-001-461 and 8660-001-462

Item 8660-001-461—For support of the Public Utilities Commission I reduce this item from $3,637,000 to $3,620,000

I am reducing this item by $17,000 because the Commission has not demonstrated the need for additional legal staff to carry out its responsibilities This action conforms with action taken on Item 8660-001-412 This reduces the amount payable from this item to Item 8660-001-412.

Item 8660-001-462—For support of the Public Utilities Commission I reduce this item from $38,393,000 to $38,226,000

I am reducing this item by $167,000 because the Commission has not demonstrated the need for additional legal staff to carry out its responsibilities This action conforms with action taken on Item 8660-001-412 This reduces the amount payable from this item to Item 8660-001-412

Item 8915-101-001—For local assistance, Department of Economic Opportunity I eliminate this item.

I am eliminating this item in the amount of $1,335,000 for local assistance for the Community Services Block Grant Program because these General Fund monies would supplant the Gramm-Rudman-Hollings (GRH) Act reductions to the program. I believe that programs of this type should be funded at the level of available federal funds and this is consistent with our actions regarding the first phase of GRH cuts. This eliminates the amount payable from this item to Item 8915-101-890

Item 8915-101-890—For local assistance, Department of Economic Opportunity I change this item by reducing:

(b) 40—Community Services from $30,838,000 to $29,503,000, and by eliminating

(c) Amount payable from the General Fund (Item 8915-101-001) (—$1,335,000)

I am eliminating $1,335,000 from the amount payable from the General Fund for local assistance for the Community Services Block Grant Program because these General Fund monies would supplant Gramm-Rudman-Hollings Act reductions to this program. I am reducing these subitems to correspond to Item 8915-101-001

Item 8940-001-001—For support of Military Department. I am reducing this item from $20,517,000 to $20,299,000 by reducing·

(j) 71—California Innovative Military Projects and Career Training from $1,629,000 to $1,411,000,

and deleting Provision 3.

I am reducing this item by $218,000 while retaining $353,000 in General Fund support for this program, an increase of $121,000.

This reduction, together with available federal funds and continued financial participation at the local level, will allow the program to continue the current level of services.

Provision 3 would require notification to the Legislature at least four weeks prior to dispatching any members of the National Guard to a foreign country if specified conditions exist. The four week time constraint unnecessarily restricts the Department's ability to respond to federal requests Therefore, I am deleting Provision 3

"3. The Military Department shall notify the Legislature at least four weeks prior to dispatching any members of the National Guard to a foreign country if any of the following conditions exist

(a) There has been armed combat in the country within 90 days of the scheduled arrival of the National Guard and no resolution of the dispute leading to the armed combat has been reached.

(b) The foreign country is currently in use as a base for armed combat within another country bordering on the foreign country.

(c) There is a reasonable likelihood of armed combat in the foreign country while the National Guard is scheduled to be on military duty there."

Item 8940-301-604—For capital outlay, Military Department I reduce this item from $2,716,000 to $1,488,000 by eliminating.

(4) 70 28.010—Thousand Oaks—Armory—Acquisition, $1,228,000, and deleting Provision 4.

Funding for acquisition of property to build an armory in Thousand Oaks was predicated on balances available within the Armory Fund and was included in my Budget as introduced Upon re-evaluation of that fund condition, it has been determined that the projected balance will be insufficient to support the Thousand Oaks acquisition as planned in 1986–87 I am, therefore, eliminating funding for this project.

In conformance with this action, I am deleting Provision 4

"4. The funds appropriated in category (4) shall be made available from the proceeds of armory sales after such funds have been provided for projects in categories (1), (2), and (5) "

Item 9810-001-001—For payment of attorney fees I eliminate this item and delete Provisions 1, 2, 3, 4, and 5

I am eliminating this item because the control provisions no longer provide a reasonable cap on hourly rates. I would support restoration of this appropriation with an appropriate limit on hourly rates Attorney fee claims which cannot be paid from Budget Act appropriations pursuant to Section 5.00 will be subject to the Board of Control claims process. I am directing the Department of Finance to apply the criteria contained in the Budget Act of 1985 in its review of claims which are presented to the Board

I am also deleting Provisions 1 through 5 to conform to this action.

"1 Expenditures from this item shall be made by the Controller, subject to the approval of the Department of Finance, and shall be charged to the fiscal year in which the disbursement is issued "

"2 Expenditures from this item shall not exceed a maximum hourly rate greater than the maximum hourly rate contracted for and paid by the state to private attorneys for services to the state as determined in Provision 3 No expenditure from this item shall be used to pay amounts that result from the use of multipliers of the hourly rate as established above "

"3 The Controller shall request the Department of General Services to investigate and determine the maximum hourly rate contracted for and paid to private attorneys performing services for the state in the 1985–86 fiscal year "

"4. No payment shall be made by the Controller from this item except in full and final satisfaction of the claim, settlement, compromise, or judgment for attorney fees incurred in connection with a single action."

"5 The Director of Finance shall notify the Chairperson of the Joint Legislative Budget Committee and the chairperson of the fiscal committees in each house when funds from this item have been exhausted, or when there are insufficient

funds to satisfy a claim completely. This report shall list the known unsatisfied claims, and the amount of each of these claims."

Item 9810-001-494—For payment of attorney fees. I eliminate this item and delete Provision 1

I am eliminating this item to correspond to the action I have taken on Item 9810-001-001. I am deleting Provision 1 to conform to this action

"1. Provisions 1, 2, 3, 4 and 5 for Item 9810-001-001 are also applicable to this item "

Item 9810-001-988—For payment of attorney fees I eliminate this item and delete Provision 1.

I am eliminating this item to correspond to the action I have taken on Item 9810-001-001. I am also deleting Provision 1 to conform to this action

"1. Provisions 1, 2, 3, 4 and 5 for Item 9810-001-001 are also applicable to this item "

SEC. 9.00—I eliminate this section

I am eliminating this section because I object to the inclusion of substantive policy changes and control provisions in the Supplemental Report, as an example, the Provision directing the Regents of the University of California to modify graduation requirements is not mere supplemental language and should be subject to the normal legislative process I will direct departments not to create substantive new programs or alter appropriate administrative procedures or policies based solely on the contents of the Supplemental Report.

SEC 11.50—I revise general control subdivisions

I am reducing the transfer to the Housing Trust Fund in Subdivision (f) from $15,000,000 to $10,000,000 to conform to my veto actions in Item 2240-101-843

I am also revising Section 11.50 in order to have the Special Account for Capital Outlay receive any tidelands oil revenues not otherwise allocated

In allowing the General Fund transfer to remain in Subdivision (i) of Section 11 50, I note that the General Fund absorbed significant infrastructure costs in this budget, costs justifiably borne by tidelands oil revenues as fund balances permit

"SEC 11 50. (a) Notwithstanding any other provision of law, the allocations to the California Water Fund made pursuant to subdivision (b) of Section 6217 of the Public Resources Code shall be in the amount of five million eight hundred fifty-four thousand dollars ($5,854,000) for the 1986–87 fiscal year.

(b) Notwithstanding any other provision of law, no allocation to the Central Valley Water Project Construction Fund shall be made pursuant to subdivision (c) of Section 6217 of the Public Resources Code for the 1986–87 fiscal year

(c) Notwithstanding any other provision of law, the allocation to the Capital Outlay Fund for Public Higher Education made pursuant to subdivision (e) of Section 6217 of the Public Resources Code shall be in the amount of ten million eighty-five thousand dollars ($10,085,000) for the 1986–87 fiscal year

(d) Notwithstanding any other provision of law, no allocation to the State School Building Lease-Purchase Fund shall be made pursuant to subdivision (f) of Section 6217 of the Public Resources Code.

(e) Notwithstanding any other provision of law, no allocation to the Energy and Resources Fund shall be made pursuant to subdivision (g) of Section 6217 of the Public Resources Code for the 1986–87 fiscal year

(f) Notwithstanding any other provision of law, the allocation to the California Housing Trust Fund made pursuant to subdivision (h) of Section 6217 of the Public Resources Code shall be in the amount of ~~fifteen million dollars ($15,000,000)~~ *ten million dollars ($10,000,000)* for the 1986–87 fiscal year

(g) Notwithstanding any other provision of law, no transfer to the Roberti-Z'Berg-Harris Open-Space and Recreation Program Account from the Special Account for Capital Outlay in the General Fund shall be made pursuant to Section 5624.5 of the Public Resources Code for the 1986–87 fiscal year

~~(h) Notwithstanding any other provision of law, the amount transferred to the Special Account for Capital Outlay for the 1986/87 fiscal year shall be in the amount of thirty two million nine hundred ninety one thousand dollars ($32,991,000), in lieu of the allocation specified in subdivision (i) of Section 6217 of the Public Resources~~

~~Code.~~

(i) Notwithstanding any other provision of law, there shall be transferred to the General Fund for the 1986–87 fiscal year an amount of sixteen million seven hundred eighty-three thousand dollars ($16,783,000) from tidelands oil revenues otherwise subject to Section 6217 of the Public Resources Code "

SEC. 11.52—I revise this general control section

I am reducing the transfer amount in Section 11.52 by $1,500,000 to retain a more prudent construction augmentation reserve in the Capital Outlay Fund for Public Higher Education.

I am revising Section 11.52 to conform to this action

"SEC. 11.52. Notwithstanding any other provisions of law, on July 1, 1986, the State Controller shall transfer the amount of ~~thirty five million sixty thousand dollars ($35,060,000)~~ *thirty-three million five hundred sixty thousand dollars ($33,560,000)* from the Capital Outlay Fund for Public Higher Education to the Special Account for Capital Outlay in the General Fund."

SEC 15.00—I eliminate this section.

It is the policy of this Administration that agencies transmit year-end financial data to the Controller in a timely fashion. Since the Administration is committee to compliance with this proposed section, it is unnecessary to raise the specter of delays in payments to vendors and state employee salaries

The budget passed by the Legislature included savings of over $300 million as a result of redirecting surplus funds from the Public Employees' Retirement System. In recognizing these savings, the Legislature committed to authorizing legislation which, in conjunction with action of the PERS Board, allows these surplus funds to be available for funding high priority programs. None of the actions required to realize these savings in any manner reduces benefits to retirees or alters either the Legislature's or my commitment to the Public Employees' Retirement System.

However, as the legislation required to realize these savings has not yet been passed by the Legislature, I must reduce funding for 12 programs which I support Until such time as appropriate legislation authorizing these savings is enacted, I cannot provide funds for these programs and still maintain the necessary reserve level to insure against future economic uncertainties When appropriate legislation is enacted to provide for these savings, I will join with the Legislature to appropriate funds for these programs.

PROGRAM	*DOLLARS IN MILLIONS*
Transportation:	
—Remainder of General Fund Transfer to Transportation Planning and Development Account	$35.0
Health and Welfare	
—Medi-Cal	
—Nonsteroidal Anti-Inflammatory Drugs	10.7*
—Intermediate Care Facilities/ Developmentally Disabled—Habilitative Rate Increase	1.2*
—Public Health	
—Medically Indigent Services	50.0
—Social Services	
—Social Services Programs Five Percent Reduction	17.6
Education:	
—Small School Districts Transportation	19 9
—Education Improvement Incentive Program	6 8
—Urban Impact Aid	75.4
—Meade Aid	10.3
—Community Colleges: Aid to Districts with Declining ADA	34.2
—Community Colleges· Matriculation	21 0
	0 38 15 0

—Conforming Cost-of-Living Adjustments 1.0

* Also results in an equal Federal Funds reduction

Item 2660-051-001—For transfer to the Transportation Planning and Development Account, State Transportation Fund, Department of Transportation. I reduce this item from $35,000,000 to $1

In addition to the reductions in Item 2660-051-001 made above, I am further reducing the General Fund transfer to the Transportation Planning and Development Account the amount of $34,999,999

Item 2660-101-042—For local assistance, Department of Transportation I reduce

(c) Mass Transportation from $85,469,000 to $55,914,000,

(g) Amount payable from the Transportation Planning and Development Account, State Transportation Fund (Item 2660-101-046) from —$40,997,000 to —$11,442,000

This action conforms to the additional reduction I am taking in Item 2660-051-001

Item 2660-101-046—For local assistance, Department of Transportation I reduce this item from $40,997,000 to $11,442,000

This action conforms to the additional reduction I am taking in Item 2660-051-001

Item 4260-101-001—For local assistance, Department of Health Services I reduce this item from $2,264,865,000 to $2,252,965,000 by reducing

(b) 50 11—Benefits from $4,501,252,000 to $4,477,452,000,

(c) Amount payable from the Federal Trust Fund (Item 4260-101-890) from —$2,388,645,000 to —$2,376,745,000.

In addition to the reduction in Item 4260-101-001 made above, I am making this additional reduction in the amount of $11,900,000

Of this reduction, $1,200,000 was intended for an Intermediate Care Facilities/Developmentally Disabled-Habilitative rate increase and $10,700,000 for non-steroidal anti-inflammatory drugs for the Medi-Cal formulary This action conforms with my action in Item 4260-101-890

Item 4260-101-890—For local assistance, Department of Health Services I reduce this item from $2,388,645,000 to $2,376,745,000.

In addition to the reductions in Item 4260-101-890 made above, I am making this additional reduction in the amount of $11,900,000 This reduction is conforming to my action in Item 4260-101-001

Item 4260-111-001—For local assistance, Department of Health Services I reduce this item from $1,108,914,500 to $1,058,914,500 by reducing·

(c) 40—Rural and Community Health from $977,681,000 to $927,681,000

In addition to the reduction in Item 4260-111-001 made above, I am making this additional reduction in the amount of $50,000,000 I am eliminating the 1985–86 $50,000,000 augmentation to the Medically Indigent Services Program

Item 5180-151-001—For local assistance, Department of Social Services. I reduce this item from $423,338,000 to $405,701,000 by reducing

(a) 20 30—Other County Social Services from $290,427,000 to $280,339,000,

(a) (1) 20 30 010—Child Welfare Services Grants from $229,919,000 to $219,831,000,

(b) 20.35—Specialized Adult Services from $416,009,000 to $408,460,000, and

(b) (1) 20 35.220—In-Home Supportive Services from $410,313,000 to $402,764,000

In addition to the reductions in Item 5180-151-001 made above, I am making this additional reduction in the amount of $17,637,000

Of this reduction, $10,088,000 is from the Child Welfare Services Program and $7,549,000 is from the In-Home Supportive Services Program

Item 6100-101-001—For local assistance, Department of Education I reduce this item from $7,551,298,000 to $7,531,407,000 by eliminating·

(c) Program 10 10.001 003 School Apportionments, for Small School District Transportation Aid, for the purposes of Section 42240 and Section 42240 1 of the Education Code. ... . ($19,891,000)

In addition to the language revisions made to Item 6100-101-001 above, I am reducing this item from $7,551,298,000 to $7,531,407,000 to eliminate funding for Small School District Transportation in the amount of $19,891,000

Item 6100-107-001—For local assistance, Department of Education I reduce this item from $7,800,000 to $990,000, revise Provision 5 and delete Provisions 1, 2, 3, and 6.

I am reducing this item by $6,810,000 to eliminate funding for the Education Instructional Improvement Incentive Program.

I am retaining $990,000 in this item to fund other proposed activities for the California Assessment Program and for the College Admission Test Preparation Program

Consistent with this action I am revising Provision 5 to reduce the allocation for the College Admission Test Preparation Program, which was increased by the Legislature, from $350,000 to $300,000 as follows

"5 Of the amount appropriated in this item, an amount not to exceed ~~$350,000~~ *$300,000* shall be expended for the purposes of Article 6 (commencing with Section 54750) of Chapter 9 of Part 29 of the Education Code (College Admission Test Preparation). Of this amount, $50,000 shall be for transfer to Item 6100-001-001 for support of the College Admission Test Preparation Program "

I am also deleting Provisions 1, 2, 3, and 6

"1 Notwithstanding any other provision of law to the contrary, the amounts appropriated in this item shall be the maximum amount allocated for the purposes of Article 2 5 (commencing with Section 54650) of Chapter 9 of Part 29 of the Education Code "

"2. In lieu of the percentage provided in Section 54657 7 of the Education Code, an amount not to exceed 3 percent of the amount appropriated in this item shall be used to pay grade 12 testing proctors and for administration."

"3 Notwithstanding any other provision of law, funds appropriated by this item may be expended by school districts without regard to fiscal year Those expenditures shall be made in accordance with the provisions of Article 2 5 (commencing with Section 54650) of Chapter 9 of Part 29 of the Education Code "

"6. The superintendent of any school district or county office of education shall, upon receipt of funds apportioned from this item, certify to the Superintendent of Public Instruction that none of the schools in his or her jurisdiction has conducted any test preparation programs that are prohibited by Section 60610 of the Education Code Further, funds shall be withdrawn from districts which are found to be in violation of Section 60610 of the Education Code "

Item 6100-206-001—For local assistance, Department of Education. I eliminate this item

Though I have not made any reductions to this item above, I am reducing this item by $75,445,000 to eliminate funding for the Urban Impact Aid Program

Item 6100-207-001—For local assistance, Department of Education I eliminate this item

Though I have not made any reductions to this item above, I am reducing this item by $10,332,000 to eliminate funding for the Meade Aid Program

Item 6100-226-001—For local assistance, Department of Education I reduce this item from $731,663,000 to $730,606,000 by eliminating

(a) (3)—Small School District Transportation Aid ($199,000)

(v) (1)—Urban Impact Aid, Unified School Districts ($659,000)

(v) (2)—Urban Impact Aid, Nonunified School District ($96,000)

(w) Meade Aid ($103,000)

To conform to the reductions of $19,891,000 in Item 6100-101-001, $75,445,000 in Item 6100-206-001 and $10,332,000 in Item 6100-207-001, I am eliminating the cost-of-living adjustments for Small School District Transportation Aid, Urban Impact Aid and Meade Aid in the amount of $1,057,000

Item 6870-101-001—For local assistance, Board of Governors of California Community Colleges I reduce this item from $1,228,407,000 to $1,194,211,000 by reducing

(a) 10—Apportionments from $1,158,080,000 to $1,123,884,000

In addition to the reductions in Item 6870-101-001 made above, I am making this additional reduction in the amount of $34,196,000 to eliminate aid to Community

College Districts with declining ADA.

Item 6870-111-001—For local assistance, Board of Governors of California Community Colleges I eliminate this item and delete Provision 1.

I had intended to approve a legislative augmentation of $21,000,000 for assessment, counseling, placement, and follow-up (matriculation). However, at this point in time, funding for this program must be set aside

To conform to this reduction, I am deleting Provision 1.

"1. The amount appropriated in this item is available for assessment and counseling programs known as matriculation. This amount shall be allocated to districts based upon a plan developed by the Chancellor's office and approved by the Department of Finance Funding for the Chancellor's Office Plan shall be contingent upon its review and approval by the Joint Legislative Budget Committee pursuant to Section 28.00"

With the above deletions and reductions, I hereby approve Assembly Bill No. 3217.

George Deukmejian
June 25, 1986

LEGISLATIVE COUNSEL'S DIGEST

AB 3217, Vasconcellos. 1986–87 Budget.

This bill would make appropriations for support of state government for the 1986–87 fiscal year.

The bill would declare that it is to take effect immediately as an urgency statute.

Appropriation: yes.

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

SECTION 1.00. This act shall be known and may be cited as the "Budget Act of 1986."

SEC. 1.50. (a) In accordance with Section 13338 of the Government Code, as added by Chapter 1284, Statutes of 1978 (AB 3322), and as amended by Chapter 1286, Statutes of 1984 (AB 3372), it is the intent of the Legislature that this act utilize a coding scheme compatible with the Governor's Budget and the records of the State Controller, and provide for the appropriation of federal funds received by the state and deposited in the State Treasury.

(b) Essentially, the format and style are as follows:

(1) Appropriation item numbers have a code which is common to all the state's fiscal systems. The meaning of this common coded item number is as follows:

2720—Organization Code (this code represents the California Highway Patrol)

001—Reference Code (first appropriation for a particular fund for support of each department)

044—Fund Code (Motor Vehicle Account, State Transportation Fund)

(2) Appropriation items are organized in organization code order as reflected in the Governor's Budget.

(3) All the appropriation items, reappropriation items and reversion items, if any, for each department or entity are adjacent to

one another.

(4) Federal funds received by the state and deposited in the State Treasury are appropriated in separate items.

(c) The Department of Finance may authorize revisions to the codes used in this act in order to provide compatibility between the codes used in this act and those used in the Governor's Budget and in the records of the State Controller.

(d) Notwithstanding any other provisions of this act, the Department of Finance may revise the schedule of any appropriation made in this act where such revision is of a technical nature and is consistent with legislative intent. Such revisions may include, but shall not be limited to, the substitution of category for program or program for category limitations, the proper categorization of allocated administration costs and cost recoveries, the distribution of any unallocated amounts within an appropriation and the adjustment of schedules to facilitate departmental accounting operations including the elimination of categories providing for amounts payable from other items or other appropriations and the distribution of unscheduled amounts to programs or categories. Such revisions shall include a certification that the revisions comply with the intent and limitation of expenditures as appropriated by the Legislature.

(e) Notwithstanding any other provision of this act, when the Department of Finance, pursuant to (d) above, approves the schedule or revision of any appropriation relating to the elimination of amounts payable, the language authorizing such transfer shall also be eliminated.

SEC. 2.00. The following sums of money, or so much thereof as may be necessary unless otherwise provided herein, are hereby appropriated for the use and support of the State of California for the 1986–87 fiscal year beginning July 1, 1986, and ending June 30, 1987. Appropriations for Capital Outlay, unless otherwise provided herein, shall be available for expenditure during the 1986–87, 1987–88 and 1988–89 fiscal years, except that appropriations for studies, planning, and working drawings, and minor capital outlay shall, except as provided herein, be available for expenditure only during the 1986–87 fiscal year. In addition, every appropriation made in this act for construction, or working drawings and construction, that has not been allocated, through fund transfer or approval to proceed to bid, by the Director of Finance on or before June 30, 1987, shall, except as provided herein, revert as of that date to the fund from which the appropriation was made. All such appropriations, unless otherwise herein provided, shall be paid out of the General Fund in the State Treasury.

Whenever by constitutional or statutory provision the revenues or receipts of any institution, department, board, bureau, commission, officer, employee, or other agency, or any moneys in any special fund

created by law therefor, are to be used for salaries, support or any proper purpose, expenditures shall be made therefrom for any such purposes, to the extent only of the amount herein appropriated, unless otherwise stated herein, or authorized pursuant to Section 11006 of the Government Code.

Appropriations for purposes not otherwise provided for herein which have been heretofore made by any existing constitutional or statutory provision shall continue to be governed thereby.

LEGISLATIVE/JUDICIAL/EXECUTIVE

Legislative

Item		Amount
0110-001-001—For support of Senate		$59,044,000
Schedule:		
(a) 101001-Salaries of Senators	1,530,000	
(b) 317295-Mileage	3,000	
(c) 317292-Expenses	685,000	
(d) 500000-Contingent Expenses	47,807,000	
(e) 317296-Automotive Expenses	559,000	
(f) Joint Expenses	8,460,000	

Provisions:

1. The funds appropriated in Schedule (d) are for contingent expenses of the Senate, including personal services for officers, clerks and all other employees, and legislative committees thereof composed in whole or in part of Members of the Senate, and for support of joint services and joint house operations as provided in Part 2 (commencing with Section 10200) of Division 2 of Title 2 of the Government Code, to be transferred by the State Controller to the Senate Contingent Fund.
2. The funds appropriated in Schedule (e) are for contingent expenses of the Senate relating to the lease, maintenance, repair, insurance, and other costs of operating automobiles for the use of Members of the Senate, to be transferred by the State Controller to the Senate Contingent Fund.
3. The funds appropriated in Schedule (f) may be transferred in support of Item 0160-001-001 by resolution of the Senate Rules Committee or by resolution of the Senate.

Item Amount

4. The funds appropriated in Schedule (f) may be transferred for support of joint services and joint house operations provided for in Article 7 (commencing with Section 9140) of Chapter 1.5 of Part 1 of Division 2 of Title 2 of the Government Code which are funded under Item 0130-021-001 by resolution of the Senate Rules Committee or by resolution of the Senate.
5. The funds appropriated by Schedules (a), (b), (c), (e) and (f) shall be transferred by the State Controller to the Senate Contingent Fund upon approval of a resolution of the Senate Rules Committee or by resolution of the Senate requesting such a transfer.

0120-011-001—For support of Assembly 88,482,000

Schedule:

(a) 101001-Salaries of Assemblymen ..	3,066,000
(b) 317295-Mileage	6,000
(c) 317292-Expenses	1,344,000
(d) 500000-Contingent Expenses	62,642,000
(e) 317296-Automotive Expenses	801,000
(f) Joint Expenses	20,623,000

Provisions:

1. The funds appropriated in Schedule (d) are for contingent expenses of the Assembly including personal services for officers, clerks and all other employees, and legislative committees thereof composed in whole or in part of Members of the Assembly, and for support of joint services and joint house operations as provided in Part 2 (commencing with Section 10200) of Division 2 of Title 2 of the Government Code, to be transferred by the State Controller to the Assembly Contingent Fund.
2. The funds appropriated in Schedule (e) are for contingent expenses of the Assembly relating to the lease, maintenance, repair, insurance, and other costs of operating automobiles for the use of Members of the Assembly, to be transferred by the State Controller to the Assembly Contingent Fund.
3. The funds appropriated in Schedule (f) may be transferred in support of Item 0160-001-001 by resolution of the Assembly Rules Committee or by resolution of the Assembly.

Item Amount

4. The funds appropriated in Schedule (f) may be transferred for support of joint services and joint house operations provided for in Article 7 (commencing with Section 9140) of Chapter 1.5 of Part 1 of Division 2 of Title 2 of the Government Code which are funded under Item 0130-021-001 by resolution of the Assembly Rules Committee or by resolution of the Assembly.
5. The funds appropriated by Schedules (a), (b), (c), (e) and (f) shall be transferred by the State Controller to the Assembly Contingent Fund upon approval of a resolution of the Assembly Rules Committee or by resolution of the Assembly requesting such a transfer.

0130-021-001—For support of joint expenses of the Legislature 0

Schedule:

(a) 317292-Expenses of Joint Committees 6,220,000
(b) Reimbursements ..... −6,220,000

Provisions:

1. The funds appropriated in category (a) are for the expenses of joint committees and their members and for any charges, expenses, or claims they may incur, available without regard to fiscal years, to be paid on certification of chairpersons of the committees to which allocations have been made by statute or concurrent resolution or by resolution of the Joint Rules Committee.
2. Funds shown in category (b) may be transferred from the Assembly Contingent Fund, by resolution of the Assembly or resolution of the Assembly Rules Committee, and the Senate Contingent Fund, by resolution of the Senate or resolution of the Senate Rules Committee.

0155-001-001—For support of Auditor General, for transfer to Auditor General Fund 9,194,000

Provisions:

1. Notwithstanding any provisions of Section 2.00 of this act, this appropriation shall be available for encumbrances without regard to fiscal year.
2. The Auditor General and his or her employees shall be deemed to be legislative employees for the purposes of Section 20364 of the Government Code.

Item		Amount
0160-001-001—For support of Legislative Counsel Bureau		13,157,000
Schedule:		
(a) Support	26,819,000	
(b) Reimbursements	−131,000	
(c) Reimbursements from Assembly Contingent Fund	−11,911,000	
(d) Reimbursements from Senate Contingent Fund	−1,620,000	
Provisions:		
1. The funds in category (c) are in addition to any other funds which may be made available and may be transferred from the Assembly Contingent Fund, by resolution of the Assembly or resolution of the Assembly Rules Committee.		
2. The funds in category (d) are in addition to any other funds which may be made available and may be transferred from the Senate Contingent Fund, by resolution of the Senate or resolution of the Senate Rules Committee.		

Judicial

0250-001-001—For support of Judiciary		80,138,000
Schedule:		
(a) 10-Supreme Court	11,132,000	
(b) 20-Courts of Appeal	54,272,000	
(c) 30-Judicial Council	14,295,000	
(d) 40-Commission on Judicial Performance	500,000	
(e) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 0250-001-044)	−61,000	
Provisions:		
1. Notwithstanding Section 6.50 of this act, the funds appropriated or scheduled in this item may be allocated or reallocated among categories by order of the Judicial Council; however, any allocation or reallocation by the Judicial Council shall be reported to the Director of Finance.		
0250-001-044—For support of Judiciary, for transfer to Item 0250-001-001, payable from the Motor Vehicle Account, State Transportation Fund		61,000
0250-101-001—For reimbursement of any county, in whose superior court a judge of the municipal court of another county is assigned to sit and which is		

Item	Amount
required by subdivision (b) of Section 68540 of the Government Code to reimburse the other county from which such assignment is made, of the cost of the regular salary of a municipal court judge (as specified in subdivision (b) of Section 68202 and in Section 68203 of the Government Code) for that period of time while serving on assignment in its superior court; and for payment to any county, in whose superior court a judge of its municipal court is assigned to sit, of the cost of the regular salary of a municipal court judge (as specified in subdivision (b) of Section 68202 and in Section 68203 of the Government Code) for that period of time while serving on assignment in its superior court; and for payment to any county of the cost of the regular salary of a municipal court judge (as specified in subdivision (b) of Section 68202 and in Section 68203 of the Government Code) for that period of time its municipal court judge serves on assignment on an appellate court; and for payment to any county of the transportation expenses of a judge assigned to sit on a municipal court to replace an absent municipal court judge who has been assigned to sit on a superior court or an appellate court, Program 30, Judicial Council, for payment by the State Controller	243,000
0250-490—Reappropriation, Judiciary. On the effective date of this act, notwithstanding any other provision of law, the unencumbered balances of the appropriations provided in the following citations are reappropriated for the purposes specified in the appropriations and shall be available for expenditure until June 30, 1987: 036—Special Account for Capital Outlay (1) Item 0250-301-036(1), Budget Act of 1985—03.30.010—San Francisco State Building—Remodel facilities —working drawings, not to exceed $218,000. (2) Item 0250-301-036(2), Budget Act of 1985—03.83.010—Orange County Courthouse—Remodel facilities —construction.	
0390-001-001—For support, for transfer by the State Controller to the Judges' Retirement Fund, for Supreme Court and appellate court judges	1,079,000
Provisions:	

Item Amount

1. Upon order of the Department of Finance, the State Controller shall transfer such funds as are necessary between Item 0390-001-001 and Item 0390-101-001.

0390-101-001—For local assistance, for transfer by the State Controller to the Judges' Retirement Fund for superior court and municipal court judges 13,510,000

Provisions:

1. Upon order of the Department of Finance, the State Controller shall transfer such funds as are necessary between Item 0390-001-001 and Item 0390-101-001.

0420-101-001—For local assistance, for state's share of salaries and health and dental benefits of judges of superior courts as provided by Section 68206 of the Government Code 53,296,825

Schedule:

(a) State share and advances per Section 68206.5 of the Government Code 54,637,825

(b) Reimbursements ..... —1,341,000

Provisions:

1. Any funds which are unexpended due to vacancies in judgeships may be expended by the Judicial Council as follows:
   (a) For extra compensation, expenses, and staff for judges assigned by the Chairperson of the Judicial Council, except that no funds shall be expended under this provision until the Judicial Council notifies the State Controller that it has expended at least $525,000 for extra compensation, expenses, and staff for assigned judges from Item 0250-001-001.
   (b) For expenses of judges assigned by the Chairperson of the Judicial Council, other necessary judicial officers and employees, and facilities in coordination proceedings under Code of Civil Procedure Section 404.8.

0420-111-001—For local assistance, for purposes of phase-in operation of the Trial Court Funding Act of 1985, Chapter 1607 of the Statutes of 1985 5,000,000

Item		Amount
Schedule:		
(a) State share and block grants to counties pursuant to subdivision (b) of Section 68206 and Section 77200 of the Government Code....	12,000,000	
(b) State reimbursement to cities in an option county pursuant to Section 77600 of the Government Code	3,000,000	
(c) Revenue recapture from counties pursuant to Section 77400 of the Government Code	−10,000,000	
Provisions:		
1. Pursuant to pertinent rules to be adopted by the Judicial Council for implementation as provided in Section 77205 of the Government Code, disbursements shall be made to selected option counties for phase-in of this program.		
0440-101-001—For local assistance, for payment to counties for disbursement as a $60,000 block grant for each of the superior court judgeships created by statutes enacted since January 1, 1973		13,560,000
Provisions:		
1. None of the funds appropriated by this item shall be disbursed as block grants for the 10 judgeships established by Chapter 1311, Statutes of 1974; the four judgeships established by Chapter 748, Statutes of 1981; one of the three judgeships established by Chapter 498, Statutes of 1982; the three judgeships established by Chapter 1574, Statutes of 1982; the three judgeships established by Chapter 1575, Statutes of 1982; and the judgeship established by Chapter 1576, Statutes of 1982.		
0460-001-001—For support, for state's share of cost for membership in National Center for State Courts, Judicial Council of California		100,000
Executive		
0500-001-001—For support of Governor and of Governor's office		6,365,000
Schedule:		
(a) Support	5,610,000	
(b) Governor's Residence (Support)	25,000	
(c) Special Contingent Expenses	30,000	
(d) Overseas Offices	700,000	

Item		Amount
Provisions:		
1. This appropriation is exempt from the provisions of Sections 925.6, 12410, and 13320 of the Government Code.		
0510-001-001—For support of Secretary for State and Consumer Services		737,000
Schedule:		
(a) Support	758,000	
(b) Reimbursements	−21,000	
0510-495—Reversion, Secretary for State and Consumer Services Agency. As of June 30, 1986 the unencumbered balance of the appropriation provided in the following citation shall revert to the unappropriated surplus of the fund from which the appropriation was made:		
001—General Fund		
(1) Chapter 1453, Section 10, Statutes of 1984, for State Operations, Secretary for State and Consumer Services, to prepare a report by March 1, 1985 on the federal Temporary Emergency Food Assistance Program.		
0520-001-001—For support of Secretary for Business, Transportation and Housing, for transfer to Item 0520-001-044		372,000
0520-001-044—For support of Secretary for Business, Transportation and Housing, payable from the Motor Vehicle Account, State Transportation Fund		612,000
Schedule:		
(a) 10-Administration of Business, Transportation and Housing Agency	1,409,000	
(b) Reimbursements	−425,000	
(c) Amount payable from the General Fund (Item 0520-001-001)	−372,000	
0530-001-001—For support of Secretary for Health and Welfare		1,468,000
Schedule:		
(a) Support	1,803,000	
(b) Reimbursements	−335,000	
0540-001-001—For support of Secretary for Resources		1,273,000
Schedule:		
(a) 10-Administration of Resources Agency	1,563,000	
(b) Reimbursements	−22,000	
(c) Amount payable from the California Environmental License Plate Fund (Item 0540-001-140)	−268,000	

Item		Amount
0540-001-140—For support of Secretary for Resources, for transfer to Item 0540-001-001, payable from the California Environmental License Plate Fund		268,000
Provisions:		
1. Of the amount appropriated by this item, $150,000 shall be available for encumbrance only if AB 3101 of the 1985–86 Regular Session, regarding suitability studies of certain rivers for the California Wild and Scenic River System, is chaptered.		
0550-001-001—For support of Secretary for Youth and Adult Correctional Agency, Program 10—Correctional Programs		910,000
0580-001-001—For support of Office of California/Mexico Affairs, Program 10		263,000
0585-001-001—For transfer by the State Controller from the General Fund to the California State World Trade Commission Fund for support of the California State World Trade Commission		1,126,000
0585-001-981—For support of the California State World Trade Commission, payable from the California State World Trade Commission Fund		1,376,000
Schedule:		
(a) 100000-Personal Services	471,000	
(b) 300000-Operating Expenses and Equipment	905,000	
0650-001-001—For support of Office of Planning and Research.....		3,685,000
Schedule:		
(a) 11-State Planning and Policy Development	4,226,000	
(b) Reimbursements	−66,000	
(c) Amount payable from the Federal Trust Fund (Item 0650-001-890) ..	−475,000	
0650-001-890—For support, Office of Planning and Research, for transfer to Item 0650-001-001, payable from the Federal Trust Fund.....		475,000
Provisions:		
1. An amount equal to a maximum of 20 percent of Item 0650-101-890 may be transferred between Item 0650-101-890 and Item 0650-001-890 in order to adjust these appropriations to conform to the federal grant award.		
0650-101-890—For local assistance, Office of Planning and Research, Program 11.35, California Energy Extension Service, payable from the Federal Trust Fund		150,000

Item			Amount
Provisions:			
1. An amount equal to a maximum of 20 percent of Item 0650-101-890 may be transferred between this item and Item 0650-001-890 in order to adjust these appropriations to conform to the federal grant award.			
0690-001-001—For support of Office of Emergency Services, California Emergency Council and Advisory Committees			8,383,000
Schedule:			
(a) 100000-Personal Services		7,715,000	
(b) 300000-Operating Expenses and Equipment		5,656,000	
(c) Reimbursements		−407,000	
(d) Amount payable from the Nuclear Planning Assessment Special Account (Item 0690-001-029)		−300,000	
(e) Amount payable from the Federal Trust Fund (Item 0690-001-890)		−4,281;000	
Provisions:			
1. Funds appropriated by this item may be reduced by the Director of Finance, after giving notice to the Chairman of the Joint Legislative Budget Committee, by the amount of federal funds made available for the purposes of this item in excess of the federal funds scheduled in Item 0690-001-890.			
2. The office shall charge tuition for all training offered through the California Specialized Training Institute.			
3. The $375,000 appropriated in this item for support of the Southern California Earthquake Preparedness Project shall be available for expenditure regardless of the availability of federal matching funds. The Office of Emergency Services shall seek federal matching funds for this project.			
0690-001-029—For support of Office of Emergency Services, California Emergency Council and Advisory Committee, for transfer to Item 0690-001-001, payable from the Nuclear Planning Assessment Special Account			300,000
0690-001-890—For support of Office of Emergency Services, California Emergency Council and Advisory Committee, for transfer to Item 0690-001-001, payable from the Federal Trust Fund			4,281,000

Item		Amount
Provisions:		
1. No funds, either state or federal, shall be expended by any state agency for developing or implementing "crisis relocation planning," or for any planning whose primary or exclusive purpose is to effect a mass evacuation of California's civilian population, in the event of the threat of a nuclear war.		
If, as a result of this section, the Federal Emergency Management Agency (FEMA) withholds other federal funds whose purposes are the support of California's emergency planning and preparedness for civilian and natural disasters, and if the court of original jurisdiction upholds the legality of such action by FEMA, then the implementation of this section shall be suspended until judicial appeals have been exhausted or Congress prohibits this action by FEMA.		
0690-101-029—For local assistance, Office of Emergency Services, Program 35—Plans and Preparedness, payable from the Nuclear Planning Assessment Special Account		600,000
0690-101-254—For local assistance, Office of Emergency Services, pursuant to Section 2126 of the Streets and Highways Code, for allocation to the Controller		13,500,000
Provisions:		
1. Notwithstanding any provision of law, $13,500,000 of the appropriation provided in subdivision (b) of Section 7 of Chapter 1600 of the Statutes of 1985 shall revert to the General Fund on July 1, 1986.		
0690-101-890—For local assistance, Office of Emergency Services, Program 45—Disaster Assistance, payable from the Federal Trust Fund		38,013,000
Provisions:		
1. The funds appropriated by this item are exempt from Section 28 of this act.		
0750-001-001—For support of Office of the Lieutenant Governor		1,441,000
Schedule:		
(a) 10-General Activities	1,504,000	
(b) Reimbursements	−63,000	
0820-001-001—For support of Department of Justice		144,844,000
Schedule:		
(a) 11.01-Executive-Administration	42,958,000	

Item		Amount
(b)	11.02-Distributed Executive-Administration	—41,958,000
(c)	20-Special Programs	6,216,315
(d)	30-Civil Law	30,160,205
(e)	40-Criminal Law	33,521,749
(f)	45-Public Rights	18,340,731
(g)	50-Law Enforcement	117,890,000
(h)	Reimbursements	—27,258,000
(i)	Amount payable from the Attorney General's Antitrust Account, General Fund (Item 0820-001-012)	—408,000
(j)	Amount payable from the Hazardous Waste Control Account (Item 0820-001-014)	—596,000
(k)	Amount payable from the Fingerprint Fees Account, General Fund (Item 0820-001-017)	—10,017,000
(m)	Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 0820-001-044)	—13,652,000
(n)	Amount payable from the Hazardous Substance Account (Item 0820-001-455)	—957,000
(o)	Amount payable from the Dealers' Record of Sale Special Account, General Fund (Item 0820-001-460)	—876,000
(p)	Amount payable from the Narcotics Assistance and Relinquishment by Criminal Offender Fund (NARCO) (Item 0820-001-469)	—478,000
(q)	Amount payable from the Gaming Registration Fund (Item 0820-001-477)	—493,000
(r)	Amount payable from the Federal Trust Fund (Item 0820-001-890)	—7,550,000

Provisions:

1. The Attorney General shall submit to the Legislature, the Department of Finance and the Governor the quarterly and annual reports which he or she submits to the federal government on the activities of the Medi-Cal Fraud Unit.

Item Amount

2. Notwithstanding any other provision of law, the Department of Justice may purchase vehicles of any type or class, which in the judgment of the Attorney General or his or her designee are necessary to the performance of the investigatory and enforcement responsibilities of the Department of Justice, from the funds appropriated for that purpose in this item.
3. Any funds received by the Department of Justice as reimbursements for legal services provided by the Civil Law Program in excess of $17,011,000, and by the Public Rights Program in excess of $2,828,000, plus amounts for employee compensation adjustments, shall revert to the unappropriated surplus of the General Fund unless the Director of Finance authorizes the expenditure of the reimbursements and notification of the additional expenditure authority is provided to the Legislature pursuant to Section 28.00.
5. Fee proceeds collected by the department shall be transferred to the General Fund in an amount equal to that encumbered from the $1,900,000 appropriated by this item for the Charitable Trust Program during the 1986–87 fiscal year only if AB 3130 of the 1985–86 Regular Session is chaptered.
6. The Department of Justice shall not be restricted in the promotion of any deputy attorney general by the application of any staffing ratios.

0820-001-012—For support of Department of Justice, for transfer to Item 0820-001-001, payable from the Attorney General's Antitrust Account, General Fund 408,000

Provisions:

1. The first $600,000 in revenues in the Attorney General's Antitrust Account within the Department of Justice shall be transferred to the General Fund.

0820-001-014—For support of Department of Justice, for transfer to Item 0820-001-001, payable from the Hazardous Waste Control Account 596,000

0820-001-017—For support of Department of Justice, for transfer to Item 0820-001-001, payable from the Fingerprint Fees Account, General Fund, pursuant to subdivision (e) of Section 11105 of the Penal Code 10,017,000

Item		Amount
0820-001-044—For support of Department of Justice, for transfer to Item 0820-001-001, payable from the Motor Vehicle Account, State Transportation Fund ..		13,652,000
0820-001-455—For support of the Department of Justice, for transfer to Item 0820-001-001, payable from the Hazardous Substance Account		957,000
0820-001-460—For support of Department of Justice, for transfer to Item 0820-001-001, payable from the Dealers' Record of Sale Special Account, General Fund		876,000
0820-001-469—For support of Department of Justice, for transfer to Item 0820-001-001, payable from the Narcotics Assistance and Relinquishment by Criminal Offender Fund (NARCO)		478,000
0820-001-477—For support of Department of Justice, for transfer to Item 0820-001-001, payable from the Gaming Registration Fund		493,000
Provisions:		
1. The funds appropriated by this item shall not be available for encumbrance in excess of the sum of the revenues deposited, and the revenues which can reasonably be estimated to be deposited, in the Gaming Registration Fund for the 1986–1987 fiscal year, subject to certification by the Department of Finance.		
0820-001-890—For support of Department of Justice for transfer to Item 0820-001-001, payable from the Federal Trust Fund		7,550,000
0820-101-469—For Local Assistance, Department of Justice, payable from the Narcotics Assistance and Relinquishment by Criminal Offender Fund (NARCO)		500,000
Provisions:		
1. The funds appropriated by this item shall not be available for encumbrance in excess of the sum of the revenues deposited, and until sufficient revenues have been deposited and are reserved for the appropriation made by Item 0820-001-469 and for repayment of any outstanding loans, consistent with the provisions of Chapter 1595, Statutes of 1985.		
0840-001-001—For support of State Controller		57,816,000
Schedule:		
(a) 100000-Personal Services	48,840,000	
(b) 300000-Operating Expenses and Equipment	31,708,000	

Item		Amount
(c)	Refunds of Taxes, Licenses and other Fees	30,000
(d)	Reimbursements	−16,018,000
(e)	Amount payable from the Aeronautics Account, State Transportation Fund (Item 0840-001-041)	−274,000
(f)	Amount payable from the Motor Vehicle Fuel Account, Transportation Tax Fund (Item 0840-001-061)	−2,490,000
(g)	Amount payable from the State School Building Aid Fund (Item 0840-001-739)	−359,000
(h)	Amount payable from the Federal Trust Fund (Item 0840-001-890)	−1,242,000
(i)	Amount payable from the Assessment Fund (Item 0840-001-903)	−150,000
(j)	Amount payable from the Bank of America Litigation Fund (Item 0840-001-942)	−2,080,000
(k)	Amount payable from nongovernmental cost funds, Retail Sales Tax Fund (Item 0840-001-988)	−149,000

Provisions:

1. The appropriation made by this item shall be in lieu of any allocation made pursuant to subdivision (b) of Section 30462 of the Revenue and Taxation Code during the 1986–87 fiscal year and no funds shall be allocated to the State Controller pursuant to Section 30462 during the 1986–87 fiscal year.
2. The funds appropriated in Schedule (c) are for refunding of payments of taxes, licenses, fees and other receipts which have been erroneously collected and deposited in the General Fund for the refund of which no other provision is made by law, for refunding of amounts withheld and deposited in a fund in the State Treasury to any person who is determined to be liable to a taxpayer by reason of withholding and transmitting payments of taxes, interest, and penalties for the refund of which no other provision is made by law, and for payment of prior judgments, liens or encumbrances pursuant to Section 12516 of the Government Code; provided further, that expenditures made under Schedule (c) of this item shall be charged to the year in which the

Item Amount

warrant is issued by the State Controller.

3. The appropriation made by this item shall be in lieu of the appropriation in Section 1564 of the Code of Civil Procedure for all costs, expenses, or obligations connected with the administration of the Unclaimed Property Law, with the exception of payment of owners' or holders' claims pursuant to Section 1540, 1542, 1560, or 1561 of that code.
4. To the extent that federal funds are received by the State Controller for audits in categories (a) and (b) covered by the joint cooperative audit agreement between the United States Department of the Interior Mineral Management Services Division and the State Controller's office, pursuant to the terms of the 1982 Mineral Act, exceed $436,000, these excess federal funds shall be utilized to reduce the General Fund participation in this program.

   General Fund moneys which are not needed because of the use of these federal funds shall not be expended by the State Controller.
5. The Controller shall consolidate all Inheritance and Gift Tax administration activities in the Sacramento office. As of July 1, 1987, this Inheritance and Gift Tax staff in Los Angeles shall not exceed three positions.
6. None of the funds appropriated in Schedule (j) shall be encumbered by the Controller until a detailed plan for expenditure of the funds has been submitted to the Director of Finance and the Chairperson of the Joint Legislative Budget Committee. The expenditure plan shall not be implemented sooner than 30 days after the Chairperson of the Joint Legislative Budget Committee has been notified by the Director of Finance that he or she concurs with the magnitude of funds required to implement this plan.
7. Expenditure of the $851,000 appropriated in this item for one-time costs related to the space consolidation of the Controller's Office shall be subject to approval by the Director of Finance. The $851,000 shall be reduced by the amount spent from funds made available under Section 27.00 of the 1985 Budget Act for one-time costs related to the Controller's space consolidation.

0 40 370 0

Item Amount

8. (a) Expenditures in support of the California Personnel/Payroll Project from the amount appropriated in this item are not authorized until an expenditure plan for the California Personnel/Payroll Project has been approved by the Director of Finance and concurred with by the Joint Legislative Budget Committee. The expenditure plan shall not be implemented sooner than 30 days after the Chairperson of the Joint Legislative Budget Committee has been notified by the Director of Finance that the expenditure plan has been approved.

(b) The expenditure plan submitted to the Director of Finance shall delineate major components of the system to be developed and the dates by which these components will be available for operational use. In the event that components identified in the plan are not completed within 30 days after the dates specified, the Director of Finance may require the Controller to withhold further expenditures on the Project.

0840-001-041—For support of State Controller, to be transferred to Item 0840-001-001, payable from the Aeronautics Account, State Transportation Fund.. 274,000

0840-001-061—For support of State Controller, to be transferred to Item 0840-001-001, payable from the Motor Vehicle Fuel Account, Transportation Tax Fund 2,490,000

0840-001-739—For support of State Controller, to be transferred to Item 0840-001-001, payable from the State School Building Aid Fund 359,000

0840-001-890—For support of State Controller, to be transferred to Item 0840-001-001, payable from the Federal Trust Fund 1,242,000

0840-001-903—For support of State Controller, to be transferred to Item 0840-001-001, payable from the Assessment Fund 150,000

0840-001-942—For support of State Controller, to be transferred to Item 0840-001-001, payable from the Bank of America Litigation Fund, a Special Deposit Fund 2,080,000

0840-001-988—For support of State Controller, to be transferred to Item 0840-001-001, payable from nongovernmental cost funds (Retail Sales Tax Fund) 149,000

Item		Amount
0840-495—Reversion, State Controller's Office. As of June 30, 1986, the Controller shall revert $530,000 to the General Fund from the amount appropriated by Item 0840-001-001, Budget Act of 1984.		
0860-001-001—For support of State Board of Equalization		98,767,000
Schedule:		
(a) 100000-Personal Services	111,926,000	
(b) 300000-Operating Expenses and Equipment	30,258,000	
(c) Reimbursements	−34,886,000	
(d) Amount payable from the State Emergency Telephone Number Special Account, General Fund (Item 0860-001-022)	−154,000	
(f) Amount payable from the Motor Vehicle Fuel Account, Transportation Tax Fund (Item 0860-001-061)	−4,597,000	
(g) Amount payable from the Motor Vehicle License Fee Account, Transportation Tax Fund (Item 0860-001-064)	−1,408,000	
(h) Amount payable from the Universal Telephone Service Fund (Item 0860-001-415)	−173,000	
(i) Amount payable from the Energy Resources Programs Account, General Fund (Item 0860-001-465)	−76,000	
(j) Amount payable from the Timber Tax Fund (Item 0860-001-965)	−2,123,000	
Provisions:		
1. The State Board of Equalization shall use the effectiveness criterion of net assessments per dollar of cost for the purpose of audit selection and resource allocation processes and in reporting accomplishments to the Legislature. The board may use other criteria in evaluating the effectiveness of other aspects of the audit program. The board shall select audits and allocate audit resources solely on the basis of incremental or marginal net assessments expected to be produced. Nothing in this proviso shall require the board to individually rank each audit eligible account against all other eligible accounts or preclude the board from selecting audits for training purposes, or from allocating audit staff to verify claims for refund or to meet necessary		

Item Amount

management information needs.

2. The $1,408,000 appropriated from the Motor Vehicle License Fee Account, Transportation Tax Fund, shall be allocated for funding 50 percent of the direct cost of the County Surveys activity.

   The State Controller shall deduct the amount appropriated in Item 0860-001-064 from the amount allocated to cities and counties pursuant to Section 11005 of the Revenue and Taxation Code.

3. The Director of Finance shall reduce the amount appropriated by this item by the amount of total charges levied pursuant to Section 7204.3 of the Revenue and Taxation Code which exceeds $24,092,000 and the amount of total charges levied pursuant to Section 7273 of the Revenue and Taxation Code which exceeds $9,370,000.

4. Of the amount appropriated in category (a), $68,000 shall be expended for two full-time property tax appraisers. These appraisers shall be used to update the board's property tax cost manuals. Of the amount appropriated in category (b), $32,000 shall be expended for support of these appraisers. No later than December 15, 1986, the Board of Equalization shall report to the Chairperson of the Joint Legislative Budget Committee and the fiscal committees of each house of the Legislature regarding progress made in updating its property tax cost manuals. The report shall include, but shall not be limited to, the following: (a) a list of the sections which must be updated; (b) a schedule for completing the update of these sections; and (c) the number of hours required to complete the update. In addition, the board shall provide an estimate of the level of resources necessary for maintaining the cost manuals.

5. The Director of Finance shall provide written notification of any intention to approve any category transfer between categories (a) and (b) to the Chairperson of the Joint Legislative Budget Committee not sooner than 30 days prior to its approval of any such transfer, or not sooner than whatever lesser time the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may determine.

0 40 430 0

Item Amount

6. Of the amount appropriated in category (b), not more than $150,000 may be encumbered to contract for an information systems consultant. The consultant shall provide: (a) training in a methodology to be used for developing and maintaining the board's Information Systems Planning Document; (b) assistance in the development of the Information Systems Planning Document; (c) an objective appraisal of the board-approved Information Systems Planning Document. The consultant's appraisal shall be submitted to the Chairperson of the Joint Legislative Budget Committee and the fiscal committees of the Legislature.
7. (a) The board shall complete and approve an Information Systems Planning Document no later than March 1, 1987. This planning document shall do all of the following:
   (1) Inventory and evaluate the board's current information systems.
   (2) Identify opportunities for information systems improvements throughout the board's operations.
   This identification shall include, but not be limited to, the board's needs for improvements in the following areas: data analysis and management, word processing, file management, cash management, project management, security, support requirements, and systems maintenance.
   (3) Identify technologies and systems capable of meeting the board's future information systems needs.
   (4) Establish policies for (a) maintaining the plan, and (b) prioritizing projects within the plan.
   (5) Evaluate organizational structures which would enable the board to most efficiently implement and utilize its information systems. This evaluation shall include, but not be limited to, a discussion of the manner in which the board shall: (A) develop automation-related budget change proposals; (B) coordinate implementation; and (C) provide support for automation sys-

Item		Amount

tems.

(6) Provide an implementation schedule for the Information Systems Plan for three years.

(b) The plan shall be submitted to the Office of Information Technology for approval.

(c) The Office of Information Technology shall accept no Feasibility Study Report from the Board of Equalization unless the Office certifies in writing to the Chairperson of the Joint Legislative Budget Committee that the proposal addressed in the Feasibility Study Report contains no features which would rely on projects within the scope of the Information Systems Planning Document. This prohibition shall be in effect until 30 days after the Chairperson of the Joint Legislative Budget Committee receives the Information Systems Plan, as approved by the Office of Information Technology.

8. Of the amount appropriated by category (b), not more than $177,000 may be expended for the procurement of a computer-assisted document retrieval system. The Director of Finance may approve a contract for the procurement of such a system not sooner than 30 days after the notification to the Joint Legislative Budget Committee of the director's intention to approve such a contract, or whatever lesser time the Chairperson of the Joint Legislative Budget Committee, or the chairperson's designee, may determine. No funds may be expended for the procurement of such a system until a Feasibility Study Report approved by the Office of Information Technology is provided to the Chairperson of the Joint Legislative Budget Committee. All of the provisions of this item shall apply to any procurement of a computer-assisted document retrieval system.

0860-001-022—For support of State Board of Equalization, for transfer to Item 0860-001-001, payable from the State Emergency Telephone Number Special Account, General Fund 154,000

0860-001-061—For support of State Board of Equalization, for transfer to Item 0860-001-001, payable from the Motor Vehicle Fuel Account, Transportation Tax Fund 4,597,000

Item		Amount
0860-001-064—For support of State Board of Equalization, for transfer to Item 0860-001-001, payable from the Motor Vehicle License Fee Account, Transportation Tax Fund		1,408,000
0860-001-415—For support of State Board of Equalization, for transfer to Item 0860-001-001, payable from the Universal Telephone Service Fund		173,000
0860-001-465—For support of State Board of Equalization, for transfer to Item 0860-001-001, payable from the Energy Resources Programs Account, General Fund		76,000
0860-001-965—For support of State Board of Equalization, for transfer to Item 0860-001-001, payable from the Timber Tax Fund		2,123,000
0890-001-001—For support of Secretary of State		18,824,538
Schedule:		
(a) 100000-Personal Services	10,380,538	
(b) 300000-Operating Expenses and Equipment	5,434,000	
(c) Special Item of Expense Election Related Costs	4,803,000	
(d) Reimbursements	−1,793,000	
Provisions:		
1. Of the funds appropriated in category (b) of this item, $550,000 shall be encumbered only for ongoing Teale Data Center charges resulting from the implementation of the Corporate Filing Program Automation Project. The Director of Finance shall reduce this category by $55,000 for each month beyond September 1, 1986, that the Corporate Filing Program Automation Project is not operational.		
0890-490—Reappropriation, Secretary of State. Notwithstanding any other provision of law, as of the effective date of this act, the unencumbered balance of the appropriation cited below is hereby reappropriated for the purposes set forth in the appropriation, and shall be available for encumbrance until June 30, 1987:		
(a) Item 0890-001-001 (a) and (b), Budget Act of 1985—automation of the Corporate Filing Program—not to exceed $1,200,000 from the General Fund.		
0950-001-001—For support of State Treasurer		5,214,000
Schedule:		
(a) 100000-Personal Services	6,525,000	

Item		Amount
(b) 300000-Operating Expenses and Equipment	2,861,000	
(c) Reimbursements	−4,172,000	
0956-001-171—For support of California Debt Advisory Commission, payable from the California Debt Advisory Commission Fund		2,155,000
Schedule:		
(a) 100000-Personal Services	480,000	
(b) 300000-Operating Expenses and Equipment	355,000	
(c) Unclassified (rebates)	1,320,000	
Provisions:		
1. Not more than $1,737,500 of the funds appropriated in this item shall be authorized to be expended prior to January 1, 1987, except as provided in Provision 2. These funds shall include one-half of the amounts appropriated in categories (a) and (b) ($417,500) and all of the amount appropriated in category (c) ($1,320,000).		
2. The remaining funds appropriated in this item shall be available to be expended only upon the chaptering of legislation amending Section 2 of Chapter 1088 of the Statutes of 1981 to extend the authority of the Commission beyond December 31, 1986.		
0959-001-001—For support of the California Debt Limit Allocation Committee		145,000
Schedule:		
(a) 100000-Personal Services	93,000	
(b) 300000-Operating Expenses and Equipment	52,000	
0965-001-215—For support of California Industrial Development Financing Advisory Commission, payable from the Industrial Development Fund		319,000
Provisions:		
1. Not more than $159,000 of the funds appropriated in this item shall be authorized to be expended prior to January 1, 1987.		
2. The remaining funds appropriated in this item shall be expended after January 1, 1987 only upon the enactment of legislation amending Section 1 of Chapter 1605, Statutes of 1982, to extend the authority of the Commission beyond January 1, 1987.		
0968-001-457—For support of California Mortgage Bond Allocation Committee, payable from the Mortgage Bond Allocation Fee Account, General Fund		15,000

Item		Amount
0971-001-731—For support of California Alternative Energy Source Financing Authority, payable from the California Alternative Energy Authority Fund.....		146,000
Provisions:		
1. Notwithstanding any other provision of law, the amount appropriated to the California Alternative Energy Source Financing Authority by Section 3 of Chapter 908 of the Statutes of 1980 shall not be repayable nor accounted for as a loan under Section 26027 of the Public Resources Code.		
0974-101-489—For local assistance, to be allocated by the California Pollution Control Financing Authority, payable from the Hazardous Waste Reduction Incentive Account, for the purposes of Section 44558 et seq. of the Health and Safety Code.....		169,000
STATE AND CONSUMER SERVICES		
1100-001-001—For support of Museum of Science and Industry		8,510,000
Schedule:		
(a) 100000-Personal Services	4,701,000	
(b) 300000-Operating Expenses and Equipment	3,828,000	
(c) Reimbursements	−19,000	
Provisions:		
1. The Executive Director of the Museum of Science and Industry, when acting in the capacity of the Executive Vice President of the Museum Foundation of Los Angeles, shall notify the Legislature of his or her intent to enter into contractual arrangements which involve the Museum of Science and Industry. The Executive Director shall provide the Legislature with copies of all such executed contracts.		
2. The Director of General Services shall not approve a contract, permit, or lease agreement by the museum (excluding those for museum exhibits), which reduces state revenues or increases state costs by $25,000 or more, unless, not sooner than 30 days prior to giving his or her approval, the director submits in writing to the Chairperson of the Joint Legislative Budget Committee notification of the director's intent to approve the contract, permit, or lease, or not sooner than such lesser time as the chairperson		

Item		Amount
may in each instance determine.		
3. None of the funds appropriated by this item may be encumbered for any program which would result in the replacement of state personnel employed in parking lot operations.		
1100-301-036—For Capital Outlay, Museum of Science and Industry, payable from the Special Account for Capital Outlay		1,290,000
Schedule:		
(1) 50.30.010—Asbestos Ceiling Removal—Preliminary Plans, Working Drawings, and Construction ..	784,000	
(2) 90.10.010—Minor projects	506,000	
Provisions:		
1. The preliminary plans and working drawings for the project specified in category (1) shall reflect asbestos removal with the building closed to the public.		
2. The preliminary plans and working drawings for the project specified in category (1) shall be subject to a 30-day review by the Joint Legislative Budget Committee following the completion of each phase of the project and before the transfer of construction funds.		
1110-401—Notwithstanding any other provision of law, no more than five percent of the amount allocated for enforcement in Items 1120-001-704 to 1600-084-780, inclusive, may be used for any other purpose sooner than 30 days after written notice of the necessity therefor to the Chairperson of the Joint Legislative Budget Committee.		
1120-001-704—For support of Board of Accountancy, payable from the Accountancy Fund		2,802,000
Schedule:		
(a) 3-Board of Accountancy.....	2,821,000	
(b) Reimbursements	−19,000	
1130-004-706—For support of California State Board of Architectural Examiners, payable from the California State Board of Architectural Examiners' Fund		1,708,000
Schedule:		
(a) 6-Board of Architectural Examiners	1,713,000	
(b) Reimbursements	−5,000	
1140-006-001—For support of State Athletic Commission		663,000
Schedule:		
(a) 9-State Athletic Commission.....	1,051,000	

Item		Amount
(b) Amount payable from the Boxers Neurological Examination Account (Item 1140-006-492)	−388,000	
1140-006-492—For support of the Athletic Commission, for transfer to Item 1140-006-001, payable from the Boxers Neurological Examination Account		388,000
1150-008-128—For support of Bureau of Automotive Repair, Department of Consumer Affairs, payable from the Automotive Repair Fund		7,471,000
Schedule:		
(a) 12-Bureau of Automotive Repair	35,414,000	
(b) Reimbursements	−5,000	
(c) Amount payable from the Vehicle Inspection Fund (Item 1150-008-420)	−27,938,000	
1150-008-420—For support of Bureau of Automotive Repair, Department of Consumer Affairs, for transfer to Item 1150-008-128, payable from the Vehicle Inspection Fund		27,938,000
Provisions:		
1. Any public awareness program funded by this item shall only be conducted in and for areas showing excessive noncompliance, complaints, or low public awareness of the biennial vehicle inspection program. No contract for any public awareness program may be entered into any sooner than 30 days after notification of the proposed contract has been provided to the Chairperson of the Joint Legislative Budget Committee.		
1160-010-713—For support of State Board of Barber Examiners, payable from the State Board of Barber Examiners' Fund		788,000
Schedule:		
(a) 15-State Board of Barber Examiners	789,000	
(b) Reimbursements	−1,000	
1170-012-773—For support of Board of Behavioral Science Examiners of the State of California, payable from the Behavioral Science Examiners Fund		935,000
Schedule:		
(a) 18-Board of Behavioral Science Examiners	961,000	
(b) Reimbursements	−26,000	
1180-014-717—For support of Cemetery Board, Program 21, payable from the Cemetery Fund		278,000

Item		Amount
1200-016-157—For support of Bureau of Collection and Investigative Services, Department of Consumer Affairs, payable from the Collection Agency Fund		673,000
Schedule:		
(a) 24.10.010-Collection Agencies	696,000	
(b) 24.10.020-Distributed Collection Agencies	−19,000	
(c) Reimbursements	−4,000	
1210-018-769—For support of Bureau of Collection and Investigative Services, Department of Consumer Affairs, payable from the Private Investigator Fund		2,854,000
Schedule:		
(a) 24.20-Private Investigators	3,892,000	
(b) Reimbursements	−1,038,000	
1230-020-735—For support of Contractors' State License Board, payable from the Contractors' License Fund		21,474,000
Schedule:		
(a) 30-Contractors' State License Board	21,526,000	
(b) Reimbursements	−52,000	

Provisions:

1. No funds appropriated by this item may be encumbered for any services of the Attorney General which are in excess of the amounts budgeted therefor sooner than 30 days after written notification by the Department of Finance to the Chairperson of the Joint Legislative Budget Committee.
2. In expending funds appropriated pursuant to this item, the board shall give first priority to completing complaint mediation and investigation of all consumer complaints and complaints from industry sources. The board shall give second priority to investigation of applications at the level of 3 percent of all applications received by the board.

   No other complaints and investigations shall be processed if either of the following exists:

   (a) Consumer complaints are not mediated or investigated within a median time of 90 days of receipt by the board.

   (b) Application investigations are not completed within a median time of 90 days of receipt by the board.

Item Amount

3. The board shall report quarterly to the Joint Legislative Budget Committee all of the following:
   (a) The number of consumer complaints and application investigations.
   (b) The median time expended by the board in closing consumer complaints and application investigations.
   (c) The number of application and complaint investigations that exceed 90 days.
   (d) If other complaints have been mediated or investigated during the quarter and consumer complaints or application investigations are not being completed within a median time of 90 days, the board shall report the type and number of those cases, as well as the reasons for their priority treatment.
4. For purposes of Provisions 2, 3, and 7:
   (a) "Consumer complaint" means a complaint which is directly received from the public.
   (b) "Completed mediation" means a complaint that is closed, or referred to formal investigation, by a consumer services representative.
   (c) "Completed investigation" means a complaint that has been investigated by a deputy registrar and is closed or awaiting formal disciplinary action.
5. (a) The $363,000 appropriated to the Contractors' State License Board for automated telephone answering systems shall not be encumbered by the board unless and until a feasibility study report has been prepared and approved by the Director of Finance. The feasibility study report shall include: (1) an evaluation of the board's interim computer system's impact on the board's information inquiry workload at its headquarters, including staffing needs; and (2) a three-month survey starting one month after its interim computer is fully operational.
   (b) The survey shall consist of: (1) the number by category of phone calls answered by the Telephone Unit at the board's headquarters; and (2) the number of calls not answered.

Item		Amount
6. The $975,000 appropriated to the Contractors' State License Board for its Industry Expert Program and related Attorney General costs shall be available on a one-time basis during the 1986–87 fiscal year.		
7. During the course of mediation and investigation of consumer complaints, the board shall send a copy to the complainant of any notification sent to the defendant.		
1240-022-738—For support of State Board of Cosmetology, payable from the Board of Cosmetology's Contingent Fund		3,305,000
Schedule:		
(a) 33-State Board of Cosmetology	3,326,000	
(b) Reimbursements	−21,000	
1260-024-741—For support of Board of Dental Examiners of California, payable from the State Dentistry Fund		2,265,000
Schedule:		
(a) 36.10.010-Board of Dental Examiners	2,281,000	
(b) 36.10.020-Distributed Board of Dental Examiners	−5,000	
(c) Reimbursements	−11,000	
1270-026-380—For support of Board of Dental Examiners of California, payable from the Dental Auxiliary Fund		635,000
Schedule:		
(a) 36-Board of Dental Examiners	639,000	
(b) Reimbursements	−4,000	
1280-028-325—For support of Bureau of Electronic and Appliance Repair, Department of Consumer Affairs, Program 39, payable from the Electronic and Appliance Repair Fund		1,174,000
1300-030-180—For support of Bureau of Personnel Services, Department of Consumer Affairs, payable from the Bureau of Personnel Services Fund		646,000
1320-034-745—For support of State Board of Dry Cleaning and Fabric Care, Program 45, payable from the Dry Cleaning and Fabric Care Fund		959,000
1330-036-750—For support of State Board of Funeral Directors and Embalmers, payable from the State Funeral Directors and Embalmers Fund		408,000
Schedule:		
(a) 48-State Board of Funeral Directors and Embalmers	412,000	
(b) Reimbursements	−4,000	

Item			Amount
1340-038-205—For support of State Board of Registration for Geologists and Geophysicists, Program 51, payable from the Geology and Geophysics Fund..			203,000
1350-040-001—For support of State Board of Guide Dogs for the Blind, Program 54			27,000
1360-042-752—For support of Bureau of Home Furnishings, Department of Consumer Affairs, Program 57, payable from the Bureau of Home Furnishings Fund			2,024,000
1370-044-757—For support of California State Board of Landscape Architects, Program 60, payable from the State Board of Landscape Architects Fund			292,000
1390-046-758—For support of Board of Medical Quality Assurance of the State of California, payable from the Contingent Fund of the Board of Medical Quality Assurance			14,195,000
Schedule:			
(a) 63.10.010-Board of Medical Quality Assurance		14,930,000	
(b) 63.15-Registered Dispensing Opticians		165,000	
(c) 63.10.020-Distributed Board of Medical Quality Assurance		−622,000	
(d) Reimbursements		−113,000	
(e) Amount payable from the Dispensing Optician's Fund (Item 1390-047-175)		−165,000	
1390-047-175—For support of Board of Medical Quality Assurance of the State of California, for transfer to Item 1390-046-758, payable from the Dispensing Optician's Fund			165,000
1400-048-108—For support of Board of Medical Quality Assurance of the State of California, payable from the Acupuncturists Fund			437,000
Schedule:			
(a) 63.20-Acupuncture Advisory Committee		444,000	
(b) Reimbursements		−7,000	
1410-050-208—For support of Board of Medical Quality Assurance of the State of California, payable from the Hearing Aid Dispensers Fund			200,000
Schedule:			
(a) 63.30-Hearing Aid Dispensers Examining Committee		204,000	
(b) Reimbursements		−4,000	

Item		Amount
1420-052-759—For support of Board of Medical Quality Assurance of the State of California, payable from the Physical Therapy Fund		324,000
Schedule:		
(a) 63.40-Physical Therapy Examining Committee	340,000	
(b) Reimbursements	−16,000	
1430-054-280—For support of Board of Medical Quality Assurance of the State of California, payable from the Physician's Assistant Fund		313,000
Schedule:		
(a) 63.50-Physician's Assistant Examining Committee	316,000	
(b) Reimbursements	−3,000	
1440-056-295—For support of Board of Medical Quality Assurance of the State of California payable from the Podiatry Fund		578,000
Schedule:		
(a) 63.60-Podiatry Examining Committee	582,000	
(b) Reimbursements	−4,000	
1450-058-310—For support of the Board of Medical Quality Assurance of the State of California, payable from the Psychology Fund		885,000
Schedule:		
(a) 63.70-Psychology Examining Committee	902,000	
(b) Reimbursements	−17,000	
1455-059-319—For support of Board of Medical Quality Assurance of the State of California, payable from the Respiratory Care Fund		590,000
Schedule:		
(a) 63-Respiratory Care Examining Committee	616,000	
(b) Reimbursements	−26,000	
1460-060-376—For support of Board of Medical Quality Assurance of the State of California, payable from the Speech Pathology and Audiology Examining Committee Fund		209,000
Schedule:		
(a) 63.80.010-Speech Pathology and Audiology Committee	211,000	
(b) 63.80.020-Distributed Speech Pathology and Audiology Committee	−2,000	

Item		Amount
1470-062-260—For support of State Board of Examiners of Nursing Home Administrators payable from the Nursing Home Administrator's State License Examining Board Fund		301,000
Schedule:		
(a) 66-State Board of Examiners of Nursing Home Administrators	302,000	
(b) Reimbursements	−1,000	
1480-064-763—For support of State Board of Optometry, payable from the State Optometry Fund		381,000
Schedule:		
(a) 69-Board of Optometry	387,000	
(b) Reimbursements	−6,000	
1490-066-767—For support of California State Board of Pharmacy, payable from the Pharmacy Board Contingent Fund		2,784,000
Schedule:		
(a) 72-Board of Pharmacy	2,828,000	
(b) Reimbursements	−44,000	
1495-067-297—For support of Polygraph Examiners Board, Program 74, payable from the Polygraph Examiners Fund		112,000
1500-068-770—For support of State Board of Registration for Professional Engineers and Land Surveyors, payable from the Professional Engineers' and Land Surveyors' Fund		3,461,000
Schedule:		
(a) 75-State Board of Registration for Professional Engineers and Land Surveyors	3,465,000	
(b) Reimbursements	−4,000	
1510-070-761—For support of Board of Registered Nursing, Program 78, payable from the Board of Registered Nursing Fund		5,120,000
Schedule:		
(a) 78-Board of Registered Nursing	5,198,000	
(b) Reimbursements	−78,000	
1520-072-771—For support of Certified Shorthand Reporters Board, payable from the Shorthand Reporters' Fund		253,000
Schedule:		
(a) 81-Certified Shorthand Reporters Board	254,000	
(b) Reimbursements	−1,000	

Item		Amount
1530-074-399—For support of the Structural Pest Control Board, for transfer to Item 1530-074-775, payable from the Structural Pest Control Education and Enforcement Fund		102,000
1530-074-775—For support of Structural Pest Control Board, payable from the Structural Pest Control Fund		2,036,000
Schedule:		
(a) 84-Structural Pest Control Board	2,140,000	
(b) Reimbursement	−2,000	
(c) Amount payable from the Structural Pest Control Education and Enforcement Fund	−102,000	
1540-076-406—For support of Tax Preparers Program, payable from the Tax Preparers Fund		339,000
Schedule:		
(a) 87-Tax Preparers Program	354,000	
(b) Reimbursements	−15,000	
1560-078-777—For support of Board of Examiners in Veterinary Medicine, payable from the Board of Veterinary Examiners' Contingent Fund		604,000
Schedule:		
(a) 90.10.010-Board of Examiners in Veterinary Medicine	630,000	
(b) 90.10.020-Distributed Board of Examiners in Veterinary Medicine	−14,000	
(c) Reimbursements	−12,000	
1570-080-118—For support of Board of Examiners in Veterinary Medicine, Program 90, payable from the Animal Health Technician Examining Committee Fund		93,000
1590-082-779—For support of Board of Vocational Nurse and Psychiatric Technician Examiners of the State of California, payable from the Vocational Nurse and Psychiatric Technician Examiners' Fund, Vocational Nurse Account		2,214,000
Schedule:		
(a) 91.10.010-Vocational Nurses	2,266,000	
(b) 91.10.020-Distributed Vocational Nurses	−36,000	
(c) Reimbursements	−16,000	
1600-084-780—For support of Board of Vocational Nurse and Psychiatric Technician Examiners of the State of California, Program 91, payable from the Vocational Nurse and Psychiatric Technician Examiners Fund, Psychiatric Technicians Account		489,000

Item		Amount
Provisions:		
1. The amount appropriated from this item is from the moneys deposited under the provisions of Section 4547 of the Business and Professions Code.		
1640-086-001—For support of Division of Consumer Services, Department of Consumer Affairs		1,333,000
Schedule:		
(a) 93-Division of Consumer Services	1,359,000	
(b) Reimbursements	−26,000	
1650-088-001—For support of Consumer Advisory Council, Department of Consumer Affairs, Program 92		1
1655-090-702—For support of Department of Consumer Affairs, payable from the Consumer Affairs Fund		1,648,000
Schedule:		
(a) 93.01-Division of Consumer Services	763,000	
(b) 94.01.010-Division of Administration	8,896,000	
(c) 94.01.020-Division of Investigation	3,555,000	
(d) 94.01.030-Building Maintenance and Operation	1,648,000	
(e) 93.02-Distributed Division of Consumer Services	−763,000	
(f) 94.02-Distributed Administration ..	−12,220,000	
(g) Reimbursements	−231,000	
Provisions:		
1. On or before October 1, 1986, the department shall transfer $2,200,000 from the Consumer Affairs Fund to the General Fund and to the special funds from which the rents were paid from the 1981–82 fiscal year to the 1985–86 fiscal year, inclusive. The amounts of these transfers shall be determined by the Director of Consumer Affairs, subject to the approval of the Director of General Services.		
2. On or before November 1, 1986, the Director of Consumer Affairs shall submit to the legislative fiscal committees and the Joint Legislative Budget Committee a five-year plan for major capital outlay, minor capital outlay, and special repair projects. This plan shall include an implementation schedule, detailed descriptions, and preliminary cost estimates of each component of the plan. Before it is submitted to the Legislature, the plan shall be approved by the		

Item		Amount
Director of Finance and the Director of General Services.		
1700-001-001—For support of Department of Fair Employment and Housing		9,571,000
Schedule:		
(a) 50-Administration of Civil Rights Law	11,637,000	
(b) Amount payable from the Federal Trust Fund (Item 1700-001-890) ..	−2,066,000	

Provisions:

1. The department shall not enter into any contract with the federal government for processing more than 6,000 federal cases, unless the federal government reimburses the department for the full costs of processing every case in excess of 6,000.
2. The department shall not enter into any contract with the federal government to require the department to resolve any specific number of cases through settlement procedures.
3. None of the funds appropriated by this item shall be encumbered for transfer to any legal services operation in any legal office or discrimination clinic.
4. The Auditor General shall conduct a program and fiscal audit of the department, which shall be due on or before October 1, 1986. The issues of concern to be addressed in the audit report shall include: (a) the system for accepting, processing, and resolving claims of discrimination; (b) criteria used to determine if class actions are to be pursued instead of individual case investigations and hearings; (c) standards and methodology used to determine if a claim should be transferred from the enforcement unit to the legal unit; (d) "checks and balances" to preclude preferential treatment of a complainant and/or respondent; (e) caseload management; (f) why the department's caseload has remained relatively constant even though the department's jurisdiction has increased; (g) rent shortfalls for the last two years and the department's assertion that it can accommodate shortfalls in the existing budget; and (h) whether the department has inappropriately used salary savings.

Item			Amount
1700-001-890—For support of Department of Fair Employment and Housing, for transfer to Item 1700-001-001, payable from the Federal Trust Fund			2,066,000
1700-011-001—For support of Department of Fair Employment and Housing, Los Angeles Legal Office			580,000
1700-021-001—For support of Department of Fair Employment and Housing, San Francisco Legal Office			383,000
1700-031-001—For support of Department of Fair Employment and Housing, Boalt Hall Employment Discrimination Clinic			73,000
1705-001-001—For support of the Fair Employment and Housing Commission, Program 10			812,000
1710-001-001—For support of State Fire Marshal			4,356,000
Schedule:			
(a) 100000-Personal Services		6,706,000	
(b) 300000-Operating Expenses and Equipment		2,991,000	
(c) Reimbursements		−3,046,000	
(d) Amount payable from the California Fire and Arson Training Fund (Item 1710-001-198)		−1,334,000	
(e) Amount payable from the California Fireworks Licensing Fund (Item 1710-001-199)		−314,000	
(f) Amount payable from the Hazardous Liquid Pipeline Safety Fund (Item 1710-001-209)		−647,000	
1710-001-198—For support of the State Fire Marshal, for transfer to Item 1710-001-001, payable from the California Fire and Arson Training Fund			1,334,000
1710-001-199—For support of the State Fire Marshal, for transfer to Item 1710-001-001, payable from the California Fireworks Licensing Fund			314,000
1710-001-209—For support of the State Fire Marshal, for transfer to Item 1710-001-001, payable from the Hazardous Liquid Pipeline Safety Fund			647,000
1730-001-001—For support of Franchise Tax Board			140,052,000
Schedule:			
(a) 100000-Personal Services		106,471,000	
(b) 300000-Operating Expenses and Equipment		37,407,000	
(c) Reimbursements		−3,743,000	
(d) Amount payable from the Rare Fish, Wildlife, and Plant Species Conservation and Enhancement Account, Fish and Game Preservation Fund (Item 1730-001-200)		−17,000	

Item		Amount
(e) Amount payable from the U.S. Olympic Committee Fund (Item 1730-001-800)	—17,000	
(f) Amount payable from the State Children's Trust Fund (Item 1730-001-803)	—18,000	
(g) Amount payable from the California Election Campaign Fund (Item 1730-001-905)	—15,000	
(h) Amount payable from the California Seniors Fund (Item 1730-001-983)	—16,000	

Provisions:

1. The Franchise Tax Board shall use the effectiveness criterion of net assessments per dollar cost in its audit selection and resource allocation processes and in reporting accomplishments to the Legislature. The board may use other criteria in evaluating the effectiveness of other aspects of the audit program. The board shall select audits and allocate audit resources solely on the basis of the incremental or marginal net assessments expected to be produced. Nothing in this proviso shall require the board to individually rank each return or preclude the board from conducting sample or discovery audits to the extent necessary.

1730-001-200—For support of Franchise Tax Board, for transfer to Item 1730-001-001, payable from the Rare Fish, Wildlife, and Plant Species Conservation and Enhancement Account, Fish and Game Preservation Fund	17,000
1730-001-800—For support of Franchise Tax Board, for transfer to Item 1730-001-001, payable from the U.S. Olympic Committee Fund	17,000
1730-001-803—For support of Franchise Tax Board, for transfer to Item 1730-001-001, payable from the State Children's Trust Fund	18,000
1730-001-905—For support of Franchise Tax Board, for transfer to Item 1730-001-001, payable from the California Election Campaign Fund	15,000
1730-001-983—For support of Franchise Tax Board, for transfer to Item 1730-001-001, payable from the California Seniors Fund	16,000
1760-001-001—For support of the Department of General Services, for transfer to Item 1760-001-666	9,457,000

Item	Amount
Provisions: 1. In addition to the funds available in this item, any amounts received from the sale of the Governor's Budget and related publications funded from this item are available for expenditure.	
1760-001-002—For support of the Department of General Services, for activities other than the Office of State Printing, for transfer to Item 1760-001-666, payable from the Property Acquisition Law Account, General Fund	733,000
1760-001-003—For support of Department of General Services for activities other than the Office of State Printing, for transfer to Item 1760-001-666, payable from Motor Vehicle Parking Facilities Moneys Account, General Fund	2,320,000
1760-001-006—For support of Department of General Services for activities other than the Office of State Printing, for transfer to Item 1760-001-666, payable from the Access for Handicapped Account, General Fund	516,000
1760-001-022—For support of Department of General Services for activities other than the Office of State Printing, for transfer to Item 1760-001-666, payable from State Emergency Telephone Number Account, General Fund	896,000
1760-001-026—For support of the Department of General Services for activities other than the Office of State Printing, for transfer to Item 1760-001-666, payable from the State Motor Vehicle Insurance Account, General Fund	7,169,000
1760-001-120—For support of Department of General Services for activities other than the Office of State Printing, for transfer to Item 1760-001-666, payable from School Building Program Account, Architecture Public Building Fund	3,189,000
1760-001-122—For support of Department of General Services for activities other than the Office of State Printing, for transfer to Item 1760-001-666, payable from Hospital Plan Checking Account, Architecture Public Building Fund	4,403,000
1760-001-344—For support of Department of General Services for activities other than the Office of State Printing, for transfer to Item 1760-001-666, payable from the State School Building Lease-Purchase Fund	3,929,000

Item	Amount
Provision: 1. Of the funds appropriated by this item, up to $565,000 shall be used for office automation in the Office of Local Assistance, but shall not be available for encumbrance until the feasibility study report for the project has been approved by the Director of Finance.	
1760-001-397—For support of Department of General Services for activities other than the Office of State Printing, for transfer to Item 1760-001-666, payable from the California State Police Fund	40,000
1760-001-450—For support of Department of General Services for activities other than the Office of State Printing, for transfer to Item 1760-001-666, payable from the Seismic Gas Valve Certification Fund	76,000
1760-001-465—For support of Department of General Services for activities other than the Office of State Printing, for transfer to Item 1760-001-666, payable from the Energy Resources Programs Account, General Fund	1,233,000
Provisions: 1. On or before September 30, 1986, and annually thereafter, the Director of General Services shall report, using generally accepted accounting principles, to the legislative fiscal committees on the income and expenses of all Office of Energy Assessment activities in the previous fiscal year. This report shall identify personal services costs, operating expenses, and revenues.	
1760-001-602—For support of Department of General Services for activities other than the Office of State Printing, for transfer to Item 1760-001-666, payable from the Architecture Revolving Fund	14,421,000
Provisions: 1. The appropriation from the Architecture Revolving Fund Item 1760-001-602 is for expenditure by the Office of State Architect for the purposes specified in Section 14957 of the Government Code. 3. Within 60 days of the enactment of this act, notice shall be given to the Joint Legislative Budget Committee of the revisions necessary to the budget of the Department of General Services funded from the Architecture Revolving Fund to reflect the changes made to capital outlay project funding by the Legislature. The Director of Finance shall, pursuant to Section 28 of	

Item		Amount
	this act, revise the appropriations contained in this item to coincide with the revisions reported by the department.	
	4. The limitations of Item 9840-001-988 shall not apply to any deficiency expenditure authorization for the Architecture Revolving Fund pursuant to Section 11006 of the Government Code, in cases where the Legislature approves funds for a particular project, the project involves additional expense by the Department of General Services and no additional funds have been appropriated to the Department of General Services for purposes of that project.	
	5. The professional staff assigned to basic architectural and engineering services within the Office of State Architect shall not exceed 69 personnel-years during the 1986–87 fiscal year, in accordance with the September 1985 report to the Legislature on projected workload in the office.	
1760-001-666—For support of Department of General Services, payable from the Service Revolving Fund Schedule:		267,622,000
	(a) 100000—Personal Services	155,737,000
	(b) 300000—Operating Expenses and Equipment	212,836,000
	(d) Distributed services	−48,167,000
	(e) Amount payable from the General Fund (Item 1760-001-001)	−9,457,000
	(f) Amount payable from the Property Acquisition Law Account, General Fund (Item 1760-001-002)	−733,000
	(g) Amount payable from the Motor Vehicle Parking Facilities Moneys Account, General Fund (Item 1760-001-003)	−2,320,000
	(h) Amount payable from the Access for Handicapped Account, General Fund (Item 1760-001-006)	−516,000
	(i) Amount payable from the State Emergency Telephone Number Account, General Fund (Item 1760-001-022)	−896,000
	(j) Amount payable from the State Motor Vehicle Insurance Account, General Fund (Item 1760-001-026)	−7,169,000

Item		Amount
(k)	Amount payable from the School Building Program Account, Architecture Public Building Fund (Item 1760-001-120)	−3,189,000
(*l*)	Amount payable from the Hospital Plan Checking Account, Architecture Public Building Fund (Item 1760-001-122)	−4,403,000
(m)	Amount payable from the State School Lease Purchase Fund (Item 1760-001-344)	−3,929,000
(n)	Amount payable from the California State Police Fund (Item 1760-001-397)	−40,000
(o)	Amount payable from the Seismic Gas Valve Certification Fund (Item 1760-001-450)	−76,000
(p)	Amount payable from the Energy Resources Programs Account, General Fund (Item 1760-001-465)	−1,233,000
(q)	Amount payable from the Architecture Revolving Fund (Item 1760-001-602)	−14,421,000
(r)	Amount payable from the Surplus Personal Property Revolving Fund (Item 1760-001-688)	−1,922,000
(s)	Amount payable from the State School Building Aid Fund (Item 1760-001-739)	−643,000
(t)	Amount payable from the Federal Trust Fund (Item 1760-001-890)	−50,000
(u)	Amount payable from the State School Deferred Maintenance Fund (Item 1760-001-961)	−406,000
(v)	Amount payable from the Architecture Revolving Fund (Item 1760-011-602)	−1,381,000

Provisions:

1. From any balance in the Service Revolving Fund, the Director of General Services, with the approval of the Director of Finance, may expend funds in excess of the amount appropriated in this item for the purchase of office copier machines. Any such amounts authorized by the Director of Finance for the purchase of office copier machines are hereby appropriated from the Service Revolving Fund as a loan to be re-

Item Amount

paid upon such terms and conditions as prescribed by the Director of Finance.

2. No more than $38,019,000 appropriated in this item may be expended for support of the Office of State Printing.
3. Purchase of any equipment for the Office of State Printing, except as provided for in this item, is subject to Section 28 of this act.
4. Any surplus resulting from legislative printing shall be shown as reimbursements to Item 0130-021-001 of this act.
5. None of the funds appropriated in this item may be expended to operate the gasification plant in Sacramento unless the Department of General Services determines that it is economical to do so. The Department of General Services shall report to the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the fiscal committees of each house on a quarterly basis beginning October 1, 1984, on the status of the gasification plant and the department's determination of any savings achieved by operation of the gasification plant.
6. The limitation of Item 9840-001-988 shall not apply to any deficiency expenditure authorization for the Service Revolving Fund pursuant to Section 11006 of the Government Code, in cases where the Legislature approves funds for a particular service or purchase of equipment, the provision of the service or purchase of the equipment involves additional expense to be incurred by the Department of General Services and no additional funds have been appropriated to the department for that purpose.
7. The Budget for the 1987–88 fiscal year for two program elements of this budget item shall be prepared using a zero-base budget technique. The Department of Finance and the Department of General Services shall select the two program elements.
8. (a) Notwithstanding Section 16422 of the Government Code, the balance of any rental receipts paid into the Building Rental Account of the Service Revolving Fund as of June 30, 1986, after accounting for all receipts and the fiscal year 1985–86 costs of maintaining, operating, and insuring build-

Item Amount

ings included within the account shall be transferred by the State Controller to the General Fund and reported to the Joint Legislative Budget Committee no later than September 30, 1986.

(b) On or before September 30, 1986, the the State Controller shall transfer to the General Fund any amount of accumulated surplus in the Service Revolving Fund computed as of June 30, 1986, and any net amount of the Building Rental Account in excess of $61,500,000.

9. The Director of General Services shall report to the legislative fiscal committees and the Joint Legislative Budget Committee, on a quarterly basis, the fund status of capital outlay projects for which the department provides services. The report shall include the project name, work order code, the appropriation by phase, and the expenditures to date on each of the phases of each active project serviced by the department.

10. The Department of General Services shall not contract for janitorial services for the Franchise Tax Board facility in Sacramento.

11. (a) The Director of General Services shall report to the Chairperson of the Joint Legislative Budget Committee on or before September 30, 1986, on the department's actions to: (1) determine the liability for 11 repair projects funded ($615,390) in the 1986–87 fiscal year; and (2) collect damages from the liable party to offset the cost of these special repair projects.

(b) If the Chairperson of the Joint Legislative Budget Committee determines that the director's report does not fully resolve the issue of liability, the Auditor General shall investigate this matter and report to the Chairperson of the Joint Legislative Budget Committee by April 30, 1987. The Auditor General's report shall detail:

(1) Persons, firms or organizations liable for these repairs.

(2) Whether the actions of the Department of General Services to recoup costs on these projects from consult-

Item		Amount

ants, contractors, or other responsible parties have been adequate and appropriate.

(3) Actions the Department of General Services should take in the future to ensure that the state does not pay to correct building deficiencies resulting from errors or omissions by consultants, contractors, or others.

14. Notwithstanding Section 16422 of the Government Code, on July 1, 1986, the State Controller shall transfer $3,700,000 from the Service Revolving Fund, Building Rental Account, to the General Fund.

15. Notwithstanding Section 14669 of the Government Code, the Director of General Services, acting on behalf of the Office of Records Management, may enter into a lease, a lease with an option to purchase, or a lease-purchase agreement, for the purpose of providing adequate storage facilities for the Office of Records Management. Prior to entering into any contractual agreement for a new storage facility, the director shall prepare an analysis to provide a storage facility under a variety of arrangements which include, but are not limited to, the use of a lease, a lease with an option to purchase, or a lease-purchase agreement. The director shall not enter into a lease, a lease with an option to purchase, or a lease-purchase agreement unless, at least 30 days prior to its execution, the director notifies the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the legislative fiscal committees of his or her intent to enter into such an agreement, and shall include an analysis and justification for selecting the approach which the director deems to be in the best interest of the state.

16. Of the funds appropriated in this item, $299,000 for office automation in the Office of Administrative Services shall not be available for encumbrance until a feasibility study report for the project has been approved by the Department of Finance.

Item Amount

17. The Director of General Services may enter into a lease-purchase agreement, an agreement for the appointment of a bond trustee, an amendment to the existing Joint Powers Agreement to provide for a parking structure, and an agreement for the Department of General Services to act as agent for construction matters, all with the Joint Powers Authority created under the Joint Powers Agreement dated June 30, 1982, entered into with the Community Redevelopment Agency of the City of Los Angeles. The lease-purchase agreement may provide for space to be used for private commercial purposes. The director shall notify the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the legislative fiscal committees of his or her intention to execute the lease-purchase agreement at least 20 days prior to its execution.
18. Of the amount appropriated in category (b), $579,000 budgeted for the Purchasing Information Network computer system may not be encumbered unless the appropriate feasibility study reports (relating to the information software and the office automation equipment) are approved by the Office of Information Technology in the Department of Finance.
19. At least 10 days before signing a contract with a private firm to provide janitorial services, the Director of General Services shall certify to the Joint Legislative Budget Committee that the level of janitorial services to be provided by the private firm shall meet or surpass the standards applied for a state office building maintained by janitors of the Office of Buildings and Grounds.
20. Of the amount appropriated in category (b), $25,000 shall be used for followup purposes for reviewing the status of implementation of the management study of the administration of the Office of Procurement.
21. Of the amount appropriated in category (b), $4,760,000 shall be used for the purchase of currently leased telephone equipment and $240,000 shall be used for consulting services by the Office of Telecommunications in the Department of General Services.

Item	Amount
1760-001-688—For support of Department of General Services for activities other than the Office of State Printing, for transfer to Item 1760-001-666, payable from the Surplus Personal Property Revolving Fund	1,922,000
1760-001-739—For support of Department of General Services for activities other than the Office of State Printing, for transfer to Item 1760-001-666, payable from the State School Building Aid Fund	643,000
1760-001-890—For support of Department of General Services for activities other than the Office of State Printing, for transfer to Item 1760-001-666, payable from the Federal Trust Fund	50,000
1760-001-961—For support of Department of General Services for activities other than the Office of State Printing, for transfer to Item 1760-001-666, payable from the State School Deferred Maintenance Fund	406,000
1760-011-602—For support of the Department of General Services, for activities other than the Office of State Printing or the Office of State Architect, for transfer to Item 1760-001-666, payable from the Architecture Revolving Fund	1,381,000

Provisions:

1. The Director of General Services shall immediately establish a Capital Outlay Control Unit in the Department of General Services. This unit shall report directly to the director; it shall not report to, or be responsible in any way, to the State Architect. None of these funds or positions shall be transferred to the Office of State Architect.
2. The Capital Outlay Control Unit, in consultation with the Office of State Architect, shall determine which projects the Office of State Architect will design using in-house professional staff. The projects shall be selected taking into consideration the projects which the State Architect determines the Office can accomplish within the time frames established for the 1986–87 fiscal year and the professional staff assigned to basic and nonbasic architectural and engineering services by Item 1760-001-602.

Item Amount

3. The Capital Outlay Unit shall negotiate a fee for services with the Office of State Architect for each project assigned to that office. The unit shall enter into an interagency agreement with the office which sets forth the project schedule and fees for each phase of the project. The unit shall make progress payments to the office, based on a set percentage completion of each phase of each project. Prior to any payment to the office, the Director of General Services shall review and concur in the percentage of project completion used as the basis for payment. The interagency agreement and payment schedule for each project shall be similar to those negotiated with private architectural/engineering consulting firms.
4. The Capital Outlay Control Unit shall be responsible for contracting with private sector firms to undertake work on the capital outlay projects assigned to the Department of General Services. After establishing the projects to be undertaken by the Office of State Architect, the unit shall immediately begin the process of selecting private architectural/engineering consulting firms to undertake the remaining projects.
5. On or before November 1, 1986, the Director of General Services shall report to the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the legislative fiscal committees on the status of each project under the jurisdiction of the Capital Outlay Control Unit. The report shall identify, for each project, the project's status, the project's status compared to the original schedule, interagency/contractual fees, and any anticipated cost savings or overruns.

1760-011-666—For augmentation of the Service Revolving Fund, to be transferred by the State Controller in such amounts and at such times as funds are made available. Upon approval of the State Board of Control, the State Controller shall transfer to this item from any appropriation made from the General Fund, or any special fund, by the provisions of this act that part of such appropriation which is intended to be used and is available, for the purchase or replacement of automobiles and reproduction equipment, and provided, any funds in the

Item		Amount
Service Revolving Fund may be used to purchase equipment from the General Fund or special funds of the state at the depreciated value at the time of purchase payable at the option of the Service Revolving Fund over the remaining depreciation period.		
1760-101-001—For transfer to the State Emergency Telephone Number Account upon written approval of the Department of Finance to provide operating funds for support of the Emergency Telephone Number Program on a monthly basis, as needed, for cash-flow purposes.		(12,838,000)
1760-101-022—For local assistance, Department of General Services, for reimbursement of local agencies and service suppliers or communications equipment companies for costs incurred pursuant to Sections 41137, 41137.1, 41138, and 41140 of the Revenue and Taxation Code, payable from the State Emergency Telephone Number Account, General Fund		49,907,000
1760-301-036—For Capital Outlay, Department of General Services, payable from the Special Account for Capital Outlay		4,531,000
Schedule:		
(2) 50.40.015—San Francisco Building—Security System	479,000	
(3) 50.40.020-San Francisco Building, Office Remodel-Preliminary Plans, Working Drawings, and Construction	480,000	
(4) 50.95—Minor projects	102,000	
(5) 50.98.010-Statewide Space Planning	97,000	
(6) 50.98.053—Replacement/Disposal of PCB Transformers, Client Expansion	1,990,000	
(7) 50.98.054—PCB Sampling, Six Departments	382,000	
(8) 50.98.055—PCB Contamination Survey, Additional Departments	600,000	
(9) 50.10.011—Sacramento-"O" Street Mall, Phase II-Preliminary Plans, Working Drawings, and Construction	401,000	
1760-311-036—For Capital Outlay, Department of General Services, payable from the Special Account for Capital Outlay		1,792,000

Item		Amount
Schedule:		
(1) 50.98.051—Replacement/Disposal of PCB Transformers, Fire-Related	1,792,000	
1760-321-036—For Capital Outlay, Department of General Services, payable from the Special Account for Capital Outlay		11,483,000
Schedule:		
(1) 50.98.052-Statewide—Replacement and Repair Leaking PCB Fluids	545,000	
(2) 50.98.060-Statewide Underground Storage Tank Compliance	8,662,000	
(3) 50.98.075-Asbestos Abatement Program	2,276,000	

Provisions:

1. Of the amount appropriated in category (2), $382,000 shall be available to the Office of Project Development and Management to administer the Underground Storage Tank Program. The tanks program shall include: (1) testing all known state-owned tanks; (2) drainage of leaking tanks; (3) soil borings at leaking tank sites; (4) cleanup of hazardous, leaking tanks; and (5) replacement of nonconsolidatable tanks.
2. The Director of General Services and the Director of Finance are prohibited from limiting the amount of funds provided under category (2) that may be expended to remedy an underground storage tank site.

2.5. Of the amount appropriated in category (2), funds provided for underground storage remediation shall not be available for expenditure prior to legislative authorization.

3. Of the amount appropriated in category (3), $2,276,000 shall be available to the Office of Project Development and Management (OPDM) asbestos program. The OPDM shall, by March 1, 1987, provide the asbestos survey and removal/control (R/C) plan to the Legislature. The R/C plan shall include, at a minimum, a list of the buildings, the R/C requirements for each building, a priority list for R/C along with the criteria used to establish the priorities, and cost estimates and schedules for R/C activities.

Item Amount

1760-490—Reappropriation, Department of General Services. On the effective date of this act, notwithstanding any other provision of law, the unencumbered balances of the appropriations provided in the following citations are reappropriated for the purposes provided for in the appropriations, and shall be available for encumbrance until June 30, 1987:

036—Special Account for Capital Outlay

(1) Item 1760-311-036, Budget Act of 1984, as reappropriated by Item 1760-490, Budget Act of 1985—Replacement of PCB-Contaminated Equipment (Reappropriation).

1760-491—Reappropriation—Department of General Services. On the effective date of this act, notwithstanding any other provision of law, the unencumbered balance of the appropriations provided in the following citations are reappropriated for the purposes provided for in the appropriations and shall be available for expenditure until June 30, 1987.

001—General Fund:

(1) Item 1760-001-001, Budget Act of 1984-State Capitol Security.

344—State School Lease Purchase Fund:

(1) Chapter 1680 of the Statutes of 1984-Office of Local Assistance—not to exceed $243,000.

Provisions:

1. The funds reappropriated from the General Fund by this item shall be available for security improvements in the State Capitol complex. Notwithstanding Section 6.00, these funds may be used for alterations, for support costs, or for capital outlay purposes with the written approval of the Director of Finance and the approval of the Joint Rules Committee, as evidenced by passage of a resolution of the committee.

1760-495—Reversion, Department of General Services. On June 30, 1986, notwithstanding any other provision of law, the unencumbered balance of the appropriation provided in the following citation shall revert to the unappropriated surplus of the fund from which the appropriation was made:

036—Special Account for Capital Outlay:

Budget Act of 1985, Item 1760-301-036(8):

Item		Amount
(1) 50.40.010-San Francisco Backfill—Working Drawings.		
1760-496—Reversion, Department of General Services. On June 30, 1986, notwithstanding any other provision of law, the unencumbered balance of the appropriation provided in the following citation shall revert to the unappropriated surplus of the fund from which the appropriation was made:		
036—Special Account for Capital Outlay: Budget Act of 1984, Item 1760-321-036(2), and reappropriated by the Budget Act of 1985, Item 1760-490:		
(1) 50.98.052-Statewide—Replacement and repair leaking PCB fluids.		
1880-001-001—For support of State Personnel Board....		21,164,000
Schedule:		
(a) 10-Merit System Administration ..	21,037,000	
(b) 20-Appeals	2,662,000	
(c) 40-Local Government Services	842,000	
(d) 50.01-Administrative Services.....	4,355,000	
(e) 50.02-Distributed Administrative Services	−4,252,000	
(f) Reimbursements.....	−3,480,000	
Provisions:		
1. None of the funds specified in Program 10 for the jobs program, exclusive of COD participants who are clients of the Department of Rehabilitation, shall be used for defraying the payroll cost of a participant unless the employer of the participant pays at least 20 percent of such payroll cost.		
2. To maximize the use of federal funds in the state, the State Personnel Board shall enter into an agreement with the Department of Rehabilitation for transfer of $2,023,000 of the funds appropriated in category (a), which the department shall use to match available Rehabilitation "110" federal funds; provided further, that the interagency agreement shall require the Department of Rehabilitation to purchase on-the-job training services from the State Personnel Board in the amount of $2,023,000, to be paid from these matched funds, and to provide the State Personnel Board $455,000 of these matched funds to support administrative activities and related costs in the board's disabled unit.		

Item	Amount
3. Salary increases for trainees in the career opportunities development program shall be equivalent to such increases granted state civil service employees of similar classifications within the same bargaining unit for the 1986–87 fiscal year.	
4. The State Personnel Board may receive unbudgeted reimbursements from state agencies pursuant to interagency agreements for the provision of additional personnel services only upon approval of the Director of Finance and notification to the Legislature pursuant to the provisions of Section 28, except for reimbursements for which funding originates from non-state sources.	
1900-001-001—For support of Board of Administration of the Public Employees' Retirement System, for transfer to Item 1900-001-830	72,000
1900-001-815—For support of Board of Administration of the Public Employees' Retirement System, for transfer to Item 1900-001-830, payable from the Judges' Retirement Fund	220,000
Provisions:	
1. The appropriation made by this item is for support of the Board of Administration in accordance with Section 75108 of the Government Code.	
1900-001-820—For support of Board of Administration of the Public Employees' Retirement System, for transfer to Item 1900-001-830, payable from the Legislators' Retirement Fund	134,000
Provisions:	
1. The appropriation made by this item is for support of the Board of Administration in accordance with Section 9354 of the Government Code.	
1900-001-830—For support of Board of Administration of the Public Employees' Retirement System, payable from the Public Employees' Retirement Fund	40,259,000
Schedule:	
(a) 10-Retirement 39,934,000	
(b) 20-Social Security 773,000	
(c) 30-Health Benefits 2,972,000	
(d) 40-PERS System Redesign Project 1,187,000	
(e) 50.01-Administration 23,343,000	
(f) 50.02-Distributed Administration .. −23,368,000	
(g) Reimbursements ..... −1,099,000	

Item		Amount
(h) Amount payable from the General Fund (Item 1900-001-001)	−72,000	
(i) Amount payable from the Judges' Retirement Fund (Item 1900-001-815)	−220,000	
(j) Amount payable from the Legislators' Retirement Fund (Item 1900-001-820)	−134,000	
(k) Amount payable from the Public Employees' Contingency Reserve Fund (Item 1900-001-950)	−2,998,000	
(*l*) Amount payable from the Volunteer Firefighters Length of Service Award System Fund (Item 1900-001-962)	−59,000	

Provisions:

1. Of the amount appropriated in category (a), $227,000 shall be used as a one-time allocation for the purpose of providing for facilities operations costs which result from moving delays.
2. Of the amount appropriated in category (a), $5,121,000 shall be used only for the payment of rent in the new PERS Building (Lincoln Plaza) for space leased by PERS during the 1986–87 fiscal year. This allocation shall be reduced by the amount of any reimbursement received by PERS from subleasing or renting any PERS-leased space. Any portion of this allocation remaining unencumbered as of June 30, 1987, shall revert to the Public Employees' Retirement Fund.

1900-001-950—For support of Board of Administration of the Public Employees' Retirement System, for transfer to Item 1900-001-830, payable from the Public Employees' Contingency Reserve Fund 2,998,000

Provisions:

1. The appropriation made by this item is for support of the Board of Administration pursuant to Section 22840 of the Government Code.

1900-001-962—For support of Board of Administration of the Public Employees' Retirement System, for transfer to Item 1900-001-830, payable from the Volunteer Firefighters Length of Service Award System Fund 59,000

1920-001-835—For support of State Teachers' Retirement System, payable from the State Teachers' Retirement Fund 20,490,593

Item		Amount
Schedule:		
(a) 100000-Personal Services	11,166,293	
(b) 300000-Operating Expenses and Equipment	9,722,300	
(c) Reimbursements	−239,000	
(d) Amount payable from the Teacher Tax Sheltered Annuity Fund (Item 1920-001-963)	−62,000	
(e) Amount payable from the Retirees' Purchasing Power Protection Account in the State Teachers' Retirement Fund pursuant to Section 24701 of the Education Code	−97,000	
1920-001-963—For support of State Teachers' Retirement System, for transfer to Item 1920-001-835 payable from the Teacher Tax Sheltered Annuity Fund		62,000
Provisions:		
1. This appropriation is for costs incurred in operating the tax-sheltered annuity program pursuant to Section 22231 of the Education Code.		
1960-001-001—For support of Department of Veterans Affairs		2,510,000
Schedule:		
(a) 100000-Personal Services	2,791,000	
(b) 300000-Operating Expenses and Equipment	530,000	
(c) Educational Assistance to Veterans' Dependents	353,000	
(d) Reimbursements	−148,000	
(e) Amount payable from the Veterans' Farm and Home Building Fund of 1943 (Item 1960-001-592)	−981,000	
(f) Amount payable from the California National Guard Farm and Home Building Fund of 1978	−35,000	
Provisions:		
1. Expenditures pursuant to Schedule (c) are for educational assistance to veterans' dependents, Department of Veterans Affairs, to be expended under the provisions of Sections 890 through 899 of the Military and Veterans Code provided, that no funds appropriated by this item, except as specified, may be expended to provide financial assistance for the education of dependents of non-California veterans killed or totally disabled as a result of active military service and of		

Item	Amount
non-California servicemen currently missing in action. 2. This restriction shall not apply to dependents receiving such financial assistance in, or prior to, fiscal year 1978–79. Provided further, that "non-California veteran" means persons not meeting the requirements of Section 980 of the Military and Veterans Code. 3. No funds shall be expended for educational assistance program grants to persons whose family incomes exceed the following limits: (a) $31,500 for three or fewer family members. (b) $33,600 for four family members. (c) $35,700 for five family members. (d) $37,800 for six or more family members. (e) $39,900 for three or more family members, if at least two members are attending college. As used in this provision, the term "family member" shall include only the dependent applicant; the parents, either natural or adoptive, of the dependent applicant; the dependent brothers and sisters, either natural or adoptive, of the dependent applicant; the spouse of the dependent applicant, if married; and any other persons who are dependent upon the family income for more than 50 percent of their support. The term "family income" shall include only the income of the dependent applicant; the parents, either natural or adoptive, of the dependent applicant; and, if married, the spouse of the dependent applicant; and shall mean "adjusted gross income" as that term is defined in Section 17072 of the Revenue and Taxation Code.	
1960-001-592—For support of Department of Veterans' Affairs, for transfer to Item 1960-001-001, payable from the Veterans' Farm and Home Building Fund of 1943	981,000
1960-101-001—For local assistance, Department of Veterans Affairs, for contribution to counties toward compensation and expenses of county veteran services offices, to be expended in accordance with Section 972 of the Military and Veterans Code	1,000,000
1970-011-001—For support of Veterans' Home of California	22,264,000

Item	Amount
Schedule:	
(a) 30-Care of Sick and Disabled Veterans	41,396,000
(b) Reimbursements	−5,413,000
(c) Amount payable from the Federal Trust Fund (Item 1970-011-890)	−13,719,000
Provisions:	
1. This appropriation shall be reduced by the amount of any federal funds received in excess of $13,719,000 appropriated by Item 1970-011-890 in a manner prescribed by the Department of Finance, unless expenditure of these funds is authorized by the Department of Finance. This authorization shall not become effective sooner than 30 days after notification, in writing, of the Joint Legislative Budget Committee or a lesser time, which the chairman of the committee or his or her designee may, in each instance, determine.	
2. Any reduction to this appropriation as a result of the receipt of additional federal funds pursuant to provision 1 above shall be allocated on the basis of 85 percent General Fund and 15 percent reimbursement.	
1970-011-890—For support of Veterans' Home of California, for transfer to Item 1970-011-001, payable from the Federal Trust Fund	13,719,000
Provisions:	
1. Any reimbursements of federal funds received by the Veterans' Home of California in excess of the amounts set forth in this item shall revert to the unappropriated surplus of the General Fund in a manner prescribed by the Department of Finance, unless expenditure of such funds is authorized by the Department of Finance. Such authorization shall not become effective sooner than 30 days after notification in writing of the Joint Legislative Budget Committee or such lesser time as the committee or its designee may, in each instance, determine.	
1970-101-001—For local assistance, Veterans' Home of California, for reimbursement to the County of Napa for costs incurred to replace a waterline to the Veterans' Home of California	161,868
1970-301-036—For Capital Outlay, Veterans' Home of California, Department of Veterans Affairs, payable from the Special Account for Capital Outlay	3,305,000

Item		Amount
Schedule:		
(1) 80.20.020—Remodel Section A (Domiciliary)—Equipment	79,000	
(2) 80.20.025—Remodel Section C (Domiciliary)—Equipment	87,000	
(3) 80.20.030—Remodel Section D (Domiciliary)—Equipment	75,000	
(4) 80.20.035—Correct Code Deficiencies in Section F—Construction	1,032,000	
(6) 80.20.050—Renovate Hospital Support Services—Working Drawings	65,000	
(7) 80.20.055—Remodel Hospital Wards 1, 2 and 3A—Construction	523,000	
(8) 80.20.060—Remodel Section B (Intermediate)—Construction	972,000	
(9) 80.20.065—Primary Electrical Service—Working Drawings	26,000	
(11) 80.20.075—Remodel Hospital Wards 2, 3E and Administration—Working Drawings	175,000	
(18) 80.20.120—Remodel Hospital wards 1, 2 and 3C—Preliminary Plans	45,000	
(21) 80.20.150—Renovate Hospital Support Services, Wing A—Working Drawings and Construction	226,000	
1970-301-890—For Capital Outlay, Veterans' Home of California, Department of Veterans Affairs payable from the Federal Trust Fund		6,660,000
Schedule:		
(1) 80.20.020—Remodel Section A (Domiciliary)—Equipment	147,000	
(2) 80.20.025—Remodel Section C (Domiciliary)—Equipment	161,000	
(3) 80.20.030—Remodel Section D (Domiciliary)—Equipment	140,000	
(4) 80.20.035—Correct Code Deficiencies in Section F—Construction	2,361,000	
(5) 80.20.055—Remodel Hospital Wards 1, 2 and 3A—Construction	1,200,000	
(6) 80.20.060—Remodel Section B (Intermediate)—Construction	2,179,000	
(8) 80.20.150—Renovate Hospital Support Services, Wing A—Working Drawings and Construction	472,000	

Item		Amount
BUSINESS, TRANSPORTATION AND HOUSING		
2100-001-001—For support of Department of Alcoholic Beverage Control		18,182,000
Schedule:		
(a) 10.10-Licensing	12,085,000	
(b) 10.20-Compliance	6,688,000	
(c) 10.30.010-Administration	2,366,000	
(d) 10.30.020-Distributed Administration	−2,366,000	
(e) Reimbursements	−591,000	
Provisions:		
1. Of the amount appropriated by this item, $69,000 shall be available only for expenditures associated with the department's retirement costs, unless the Director of Finance, after notification to the Joint Legislative Budget Committee, authorizes the expenditure of these funds for other purposes.		
2120-001-117—For support of Alcoholic Beverage Control Appeals Board, Program 10, payable from the Alcoholic Beverage Control Appeals Fund		388,000
2140-001-136—For support of State Banking Department, payable from the State Banking Fund		11,122,000
Schedule:		
(a) 100000-Personal Services	7,739,000	
(b) 300000-Operating Expenses and Equipment	3,555,000	
(c) Reimbursements	−100,000	
(d) Amount payable from the Local Agency Deposit Security Fund (Item 2140-001-240)	−72,000	
Provisions:		
1. Of the $1,434,000 appropriated in this item for the implementation of an office automation project, no more than $519,700 may be encumbered until the Office of Information Technology approves a pilot evaluation report submitted by the department which: (a) substantiates the costs and benefits of the proposed system as set forth in the department's feasibility study report; and (b) verifies that the project can be fully implemented within the amount appropriated for the project.		
2140-001-240—For support of State Banking Department, for transfer to Item 2140-001-136, payable from the Local Agency Deposit Security Fund		72,000

Item		Amount
2180-001-001—For support of Department of Corporations		8,957,000
Schedule:		
(a) 10-Investment Program	8,821,000	
(b) 20-Lender-Fiduciary Program	7,465,000	
(c) 30-Health Care Service Plan Program	2,246,000	
(d) 50.01-Administration	1,009,000	
(e) 50.02-Distributed Administration	−1,009,000	
(f) Reimbursements	−9,575,000	
Provisions:		
1. Notwithstanding the provisions of Section 1382 of the Health and Safety Code, any payments received pursuant to that section shall be credited to this item as reimbursements and are hereby appropriated for the purposes of this item.		
2200-001-001—For support of Department of Commerce, except for the Motion Picture Council, Program 15.20, and exempt positions specified in subdivision (a) of Provision 5		18,042,000
Schedule:		
(a) 10-Business Development	2,764,000	
(b) 15.10-California Film Office	349,000	
(c) 25-Marketing and Communications	193,000	
(d) 30-Tourism	7,785,000	
(e) 40-Local Development	1,360,000	
(f) 50-Small Business	5,241,000	
(g) 60-Economic Research	881,000	
(h) 70.01-Administration	1,157,000	
(i) 70.02-Distributed Administration	−1,157,000	
(j) Reimbursements	−93,000	
(k) Amount payable from the California Main Street Program Fund (Item 2200-001-535)	−252,000	
(*l*) Amount payable from the Federal Trust Fund (Item 2200-001-890)	−186,000	
Provisions:		
1. Of the amount appropriated in category (e) for support of the Office of Local Development, $252,000 shall be for transfer to the California Main Street Program Fund.		
2. Of the amount appropriated in category (f) for support of the Office of Small Business, $3,023,000 shall be for transfer to the Small Business Expansion Fund.		

Item Amount

3. None of the moneys appropriated for the tourism marketing program in category (d) shall be used to purchase any media advertisements that feature the name or image of any elected official.
4. The $60,000 appropriated in category (f) for the rural component of the Small Business Development Center Program shall not be expended unless and until federal funds are available for the Small Business Development Center Program in the urban areas.
4.5. The source of support for the Motion Picture Council in this act is intended to be the appropriations made in Items 2200-002-001 and 2200-101-001.
5. (a) None of the funds appropriated by this item shall be used to pay salaries for the following exempt positions within the department:
   (1) Director of Commerce.
   (2) Chief Deputy Director of Commerce.
   (3) Special Assistant to the Director of Commerce.
   (4) Director of Marketing and Communications.
   (5) Legislative Coordinator.
   (6) Director of the Office of Business Development.
   (7) Deputy Director of the Office of Business Development.
   (8) Senior Specialist in the Office of Business Development.
   (9) Director of the Office of Economic Research.
   (10) Deputy Director of the Office of Economic Research.
   (11) Director of the Office of Local Development.
   (12) Deputy Director of the Office of Local Development.
   (13) Director of the Office of Small Business.
   (14) Deputy Director of the Office of Small Business.
   (15) Director of the Office of Tourism.
   (16) Deputy Director of the Office of Tourism.
   (17) Director of the Small Business

Item Amount

Development Center.
(18) Deputy Director of the Small Business Development Center.

(b) The exclusive source of support for the salaries of the positions set forth in subdivision (a) in this provision shall be the appropriations made in Items 2200-003-001 through 2200-054-001, inclusive.

6. Of the funds appropriated in category (f), $429,000 shall be allocated to the Office of Small Business for the support of existing rural Small Business Development Centers (SBDC's) and three urban SBDC's, including an SBDC in San Diego County. The department shall negotiate in good faith with the United States Small Business Administration in an effort to secure federal funding for the SBDC's and shall report to the chairs of the Senate Budget and Fiscal Review Committee and the Assembly Ways and Means Committee on the progress of these negotiations on October 1, 1986, and January 1, 1987. Notwithstanding on the availability of federal funds, the $429,000 shall continue to be available for the support of urban and rural SBDC's.
7. None of the funds allocated by the department for the purpose of conducting small business conferences shall be expended prior to January 1, 1987.

2200-001-535—For state operations, Department of Commerce, for transfer to Item 2200-001-001, payable from the California Main Street Program Fund 252,000

2200-001-890—For support of Department of Commerce, for transfer to Item 2200-001-001, payable from the Federal Trust Fund..... 186,000

2200-002-001—For support of Department of Commerce, California Film Office, Motion Picture Council, Program 15.20 110,000

Provisions:

1. The funds appropriated by this item shall be available for encumbrance only for programs of the Motion Picture Council. These funds shall not be available for encumbrance for any other program of the California Film Office or of the department.

Item	Amount
2200-003-001—For support of Department of Commerce, Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200-001-001, available for encumbrance only between July 1, 1986 and July 6, 1986, if a qualified Executive Director of Motion Picture Council has been appointed	17,365

Provisions:

1. The funds appropriated by this item shall be the exclusive source of the salaries, earned between July 1, 1986 and July 6, 1986, of persons serving in the exempt positions specified in subdivision (a) of Provision (5) of Item 2200-001-001.
2. The funds appropriated by this item shall be available for encumbrance only between July 1, 1986 and July 6, 1986, inclusive.
3. The funds appropriated by this item shall be available for encumbrance only if, on or before July 6, 1986, the Director of Commerce has submitted a letter to the Controller certifying that a qualified Executive Director of the Motion Picture Council has been appointed.

2200-004-001—For support of Department of Commerce, Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200-001-001, available for encumbrance only between July 7, 1986 and July 13, 1986, if a qualified Executive Director of Motion Picture Council has been appointed	17,365

Provisions:

1. The funds appropriated by this item shall be the exclusive source of the salaries, earned between July 7, 1986 and July 13, 1986, of persons serving in the exempt positions specified in subdivision (a) of Provision (5) of Item 2200-001-001.
2. The funds appropriated by this item shall be available for encumbrance only between July 7, 1986 and July 13, 1986, inclusive.
3. The funds appropriated by this item shall be available for encumbrance only if, on or before July 13, 1986, the Director of Commerce has submitted a letter to the Controller certifying that a qualified Executive Director of the Motion Picture Council has been appointed.

Item Amount

2200-005-001—For support of Department of Commerce, Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200-001-001, available for encumbrance only between July 14, 1986 and July 20, 1986, if a qualified Executive Director of Motion Picture Council has been appointed 17,365

Provisions:

1. The funds appropriated by this item shall be the exclusive source of the salaries, earned between July 14, 1986 and July 20, 1986, of persons serving in the exempt positions specified in subdivision (a) of Provision (5) of Item 2200-001-001.
2. The funds appropriated by this item shall be available for encumbrance only between July 14, 1986 and July 20, 1986, inclusive.
3. The funds appropriated by this item shall be available for encumbrance only if, on or before July 20, 1986, the Director of Commerce has submitted a letter to the Controller certifying that a qualified Executive Director of the Motion Picture Council has been appointed.

2200-006-001—For support of Department of Commerce, Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200-001-001, available for encumbrance only between July 21, 1986 and July 27, 1986, if a qualified Executive Director of Motion Picture Council has been appointed 17,365

Provisions:

1. The funds appropriated by this item shall be the exclusive source of the salaries, earned between July 21, 1986 and July 27, 1986, of persons serving in the exempt positions specified in subdivision (a) of Provision (5) of Item 2200-001-001.
2. The funds appropriated by this item shall be available for encumbrance only between July 21, 1986 and July 27, 1986, inclusive.
3. The funds appropriated by this item shall be available for encumbrance only if, on or before July 27, 1986, the Director of Commerce has submitted a letter to the Controller certifying that a qualified Executive Director of the Motion Picture Council has been appointed.

Item	Amount
2200-007-001—For support of Department of Commerce, Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200-001-001, available for encumbrance only between July 28, 1986 and August 3, 1986, if a qualified Executive Director of Motion Picture Council has been appointed	17,365

Provisions:

1. The funds appropriated by this item shall be the exclusive source of the salaries, earned between July 28, 1986 and August 3, 1986, of persons serving in the exempt positions specified in subdivision (a) of Provision (5) of Item 2200-001-001.
2. The funds appropriated by this item shall be available for encumbrance only between July 28, 1986 and August 3, 1986, inclusive.
3. The funds appropriated by this item shall be available for encumbrance only if, on or before August 3, 1986, the Director of Commerce has submitted a letter to the Controller certifying that a qualified Executive Director of the Motion Picture Council has been appointed.

2200-008-001—For support of Department of Commerce, Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200-001-001, available for encumbrance only between August 4, 1986 and August 10, 1986, if a qualified Executive Director of Motion Picture Council has been appointed	17,365

Provisions:

1. The funds appropriated by this item shall be the exclusive source of the salaries, earned between August 4, 1986 and August 10, 1986, of persons serving in the exempt positions specified in subdivision (a) of Provision (5) of Item 2200-001-001.
2. The funds appropriated by this item shall be available for encumbrance only between August 4, 1986 and August 10, 1986, inclusive.
3. The funds appropriated by this item shall be available for encumbrance only if, on or before August 10, 1986, the Director of Commerce has submitted a letter to the Controller certifying that a qualified Executive Director of the Motion Picture Council has been appointed.

Item Amount

2200-009-001—For support of Department of Commerce, Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200-001-001, available for encumbrance only between August 11, 1986 and August 17, 1986, if a qualified Executive Director of Motion Picture Council has been appointed 17,365

Provisions:

1. The funds appropriated by this item shall be the exclusive source of the salaries, earned between August 11, 1986 and August 17, 1986, of persons serving in the exempt positions specified in subdivision (a) of Provision (5) of Item 2200-001-001.
2. The funds appropriated by this item shall be available for encumbrance only between August 11, 1986 and August 17, 1986, inclusive.
3. The funds appropriated by this item shall be available for encumbrance only if, on or before August 17, 1986, the Director of Commerce has submitted a letter to the Controller certifying that a qualified Executive Director of the Motion Picture Council has been appointed.

2200-010-001—For support of Department of Commerce, Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200-001-001, available for encumbrance only between August 18, 1986, and August 24, 1986, if a qualified Executive Director of Motion Picture Council has been appointed 17,365

Provisions:

1. The funds appropriated by this item shall be the exclusive source of the salaries, earned between August 18, 1986 and August 24, 1986, of persons serving in the exempt positions specified in subdivision (a) of Provision (5) of Item 2200-001-001.
2. The funds appropriated by this item shall be available for encumbrance only between August 18, 1986 and August 24, 1986, inclusive.
3. The funds appropriated by this item shall be available for encumbrance only if, on or before August 24, 1986, the Director of Commerce has submitted a letter to the Controller certifying that a qualified Executive Director of the Motion Picture Council has been appointed.

Item	Amount
2200-011-001—For support of Department of Commerce, Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200-001-001, available for encumbrance only between August 25, 1986 and August 31, 1986, if a qualified Executive Director of Motion Picture Council has been appointed	17,365

Provisions:

1. The funds appropriated by this item shall be the exclusive source of the salaries, earned between August 25, 1986 and August 31, 1986, of persons serving in the exempt positions specified in subdivision (a) of Provision (5) of Item 2200-001-001.
2. The funds appropriated by this item shall be available for encumbrance only between August 25, 1986 and August 31, 1986, inclusive.
3. The funds appropriated by this item shall be available for encumbrance only if, on or before August 31, 1986, the Director of Commerce has submitted a letter to the Controller certifying that a qualified Executive Director of the Motion Picture Council has been appointed.

2200-012-001—For support of Department of Commerce, Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200-001-001, available for encumbrance only between September 1, 1986 and September 7, 1986, if a qualified Executive Director of Motion Picture Council has been appointed	17,365

Provisions:

1. The funds appropriated by this item shall be the exclusive source of the salaries, earned between September 1, 1986 and September 7, 1986, of persons serving in the exempt positions specified in subdivision (a) of Provision (5) of Item 2200-001-001.
2. The funds appropriated by this item shall be available for encumbrance only between September 1, 1986 and September 7, 1986, inclusive.
3. The funds appropriated by this item shall be available for encumbrance only if, on or before September 7, 1986, the Director of Commerce has submitted a letter to the Controller certifying that a qualified Executive Director of the Motion Picture Council has been appointed.

Item	Amount
2200-013-001—For support of Department of Commerce, Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200-001-001, available for encumbrance only between September 8, 1986 and September 14, 1986, if a qualified Executive Director of Motion Picture Council has been appointed	17,365

Provisions:

1. The funds appropriated by this item shall be the exclusive source of the salaries, earned between September 8, 1986 and September 14, 1986, of persons serving in the exempt positions specified in subdivision (a) of Provision (5) of Item 2200-001-001.
2. The funds appropriated by this item shall be available for encumbrance only between September 8, 1986 and September 14, 1986, inclusive.
3. The funds appropriated by this item shall be available for encumbrance only if, on or before September 14, 1986, the Director of Commerce has submitted a letter to the Controller certifying that a qualified Executive Director of the Motion Picture Council has been appointed.

2200-014-001—For support of Department of Commerce, Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200-001-001, available for encumbrance only between September 15, 1986 and September 21, 1986, if a qualified Executive Director of Motion Picture Council has been appointed	17,365

Provisions:

1. The funds appropriated by this item shall be the exclusive source of the salaries, earned between September 15, 1986 and September 21, 1986, of persons serving in the exempt positions specified in subdivision (a) of Provision (5) of Item 2200-001-001.
2. The funds appropriated by this item shall be available for encumbrance only between September 15, 1986 and September 21, 1986, inclusive.

Item	Amount
3. The funds appropriated by this item shall be available for encumbrance only if, on or before September 21, 1986, the Director of Commerce has submitted a letter to the Controller certifying that a qualified Executive Director of the Motion Picture Council has been appointed.	
2200-015-001—For support of Department of Commerce, Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200-001-001, available for encumbrance only between September 22, 1986 and September 28, 1986, if a qualified Executive Director of Motion Picture Council has been appointed	17,365
Provisions:	
1. The funds appropriated by this item shall be the exclusive source of the salaries, earned between September 22, 1986 and September 28, 1986, of persons serving in the exempt positions specified in subdivision (a) of Provision (5) of Item 2200-001-001.	
2. The funds appropriated by this item shall be available for encumbrance only between September 22, 1986 and September 28, 1986, inclusive.	
3. The funds appropriated by this item shall be available for encumbrance only if, on or before September 28, 1986, the Director of Commerce has submitted a letter to the Controller certifying that a qualified Executive Director of the Motion Picture Council has been appointed.	
2200-016-001—For support of Department of Commerce, Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200-001-001, available for encumbrance only between September 29, 1986 and October 5, 1986, if a qualified Executive Director of Motion Picture Council has been appointed	17,365
Provisions:	
1. The funds appropriated by this item shall be the exclusive source of the salaries, earned between September 29, 1986 and October 5, 1986, of persons serving in the exempt positions specified in subdivision (a) of Provision (5) of Item 2200-001-001.	
2. The funds appropriated by this item shall be available for encumbrance only between September 29, 1986 and October 5, 1986, inclusive.	

Item Amount

3. The funds appropriated by this item shall be available for encumbrance only if, on or before October 5, 1986, the Director of Commerce has submitted a letter to the Controller certifying that a qualified Executive Director of the Motion Picture Council has been appointed.

2200-017-001—For support of Department of Commerce, Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200-001-001, available for encumbrance only between October 6, 1986 and October 12, 1986, if a qualified Executive Director of Motion Picture Council has been appointed..... 17,365

Provisions:

1. The funds appropriated by this item shall be the exclusive source of the salaries, earned between October 6, 1986 and October 12, 1986, of persons serving in the exempt positions specified in subdivision (a) of Provision (5) of Item 2200-001-001.
2. The funds appropriated by this item shall be available for encumbrance only between October 6, 1986 and October 12, 1986, inclusive.
3. The funds appropriated by this item shall be available for encumbrance only if, on or before October 12, 1986, the Director of Commerce has submitted a letter to the Controller certifying that a qualified Executive Director of the Motion Picture Council has been appointed.

2200-018-001—For support of Department of Commerce, Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200-001-001, available for encumbrance only between October 13, 1986 and October 19, 1986, if a qualified Executive Director of Motion Picture Council has been appointed..... 17,365

Provisions:

1. The funds appropriated by this item shall be the exclusive source of the salaries, earned between October 13, 1986 and October 19, 1986, of persons serving in the exempt positions specified in subdivision (a) of Provision (5) of Item 2200-001-001.
2. The funds appropriated by this item shall be available for encumbrance only between October 13, 1986 and October 19, 1986, inclusive.

Item Amount

3. The funds appropriated by this item shall be available for encumbrance only if, on or before October 19, 1986, the Director of Commerce has submitted a letter to the Controller certifying that a qualified Executive Director of the Motion Picture Council has been appointed.

2200-019-001—For support of Department of Commerce, Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200-001-001, available for encumbrance only between October 20, 1986 and October 26, 1986, if a qualified Executive Director of Motion Picture Council has been appointed 17,365

Provisions:

1. The funds appropriated by this item shall be the exclusive source of the salaries, earned between October 20, 1986 and October 26, 1986, of persons serving in the exempt positions specified in subdivision (a) of Provision (5) of Item 2200-001-001.
2. The funds appropriated by this item shall be available for encumbrance only between October 20, 1986 and October 26, 1986, inclusive.
3. The funds appropriated by this item shall be available for encumbrance only if, on or before October 26, 1986, the Director of Commerce has submitted a letter to the Controller certifying that a qualified Executive Director of the Motion Picture Council has been appointed.

2200-020-001—For support of Department of Commerce, Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200-001-001, available for encumbrance only between October 27, 1986 and November 2, 1986, if a qualified Executive Director of Motion Picture Council has been appointed 17,365

Provisions:

1. The funds appropriated by this item shall be the exclusive source of the salaries, earned between October 27, 1986 and November 2, 1986, of persons serving in the exempt positions specified in subdivision (a) of Provision (5) of Item 2200-001-001.
2. The funds appropriated by this item shall be available for encumbrance only between October 27, 1986 and November 2, 1986, inclusive.

Item Amount

3. The funds appropriated by this item shall be available for encumbrance only if, on or before November 2, 1986, the Director of Commerce has submitted a letter to the Controller certifying that a qualified Executive Director of the Motion Picture Council has been appointed.

2200-021-001—For support of Department of Commerce, Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200-001-001, available for encumbrance only between November 3, 1986 and November 9, 1986, if a qualified Executive Director of Motion Picture Council has been appointed 17,365

Provisions:

1. The funds appropriated by this item shall be the exclusive source of the salaries, earned between November 3, 1986 and November 9, 1986, of persons serving in the exempt positions specified in subdivision (a) of Provision (5) of Item 2200-001-001.
2. The funds appropriated by this item shall be available for encumbrance only between November 3, 1986 and November 9, 1986, inclusive.
3. The funds appropriated by this item shall be available for encumbrance only if, on or before November 9, 1986, the Director of Commerce has submitted a letter to the Controller certifying that a qualified Executive Director of the Motion Picture Council has been appointed.

2200-022-001—For support of Department of Commerce, Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200-001-001, available for encumbrance only between November 10, 1986 and November 16, 1986, if a qualified Executive Director of Motion Picture Council has been appointed 17,365

Provisions:

1. The funds appropriated by this item shall be the exclusive source of the salaries, earned between November 10, 1986 and November 16, 1986, of persons serving in the exempt positions specified in subdivision (a) of Provision (5) of Item 2200-001-001.
2. The funds appropriated by this item shall be available for encumbrance only between November 10, 1986 and November 16, 1986, inclusive.

Item	Amount
3. The funds appropriated by this item shall be available for encumbrance only if, on or before November 16, 1986, the Director of Commerce has submitted a letter to the Controller certifying that a qualified Executive Director of the Motion Picture Council has been appointed.	
2200-023-001—For support of Department of Commerce, Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200-001-001, available for encumbrance only between November 17, 1986 and November 23, 1986, if a qualified Executive Director of Motion Picture Council has been appointed	17,365
Provisions:	
1. The funds appropriated by this item shall be the exclusive source of the salaries, earned between November 17, 1986 and November 23, 1986, of persons serving in the exempt positions specified in subdivision (a) of Provision (5) of Item 2200-001-001.	
2. The funds appropriated by this item shall be available for encumbrance only between November 17, 1986 and November 23, 1986, inclusive.	
3. The funds appropriated by this item shall be available for encumbrance only if, on or before November 23, 1986, the Director of Commerce has submitted a letter to the Controller certifying that a qualified Executive Director of the Motion Picture Council has been appointed.	
2200-024-001—For support of Department of Commerce, Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200-001-001, available for encumbrance only between November 24, 1986 and November 30, 1986, if a qualified Executive Director of Motion Picture Council has been appointed	17,365
Provisions:	
1. The funds appropriated by this item shall be the exclusive source of the salaries, earned between November 24, 1986 and November 30, 1986, of persons serving in the exempt positions specified in subdivision (a) of Provision (5) of Item 2200-001-001.	

Item Amount

2. The funds appropriated by this item shall be available for encumbrance only between November 24, 1986 and November 30, 1986, inclusive.
3. The funds appropriated by this item shall be available for encumbrance only if, on or before November 30, 1986, the Director of Commerce has submitted a letter to the Controller certifying that a qualified Executive Director of the Motion Picture Council has been appointed.

2200-025-001—For support of Department of Commerce, Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200-001-001, available for encumbrance only between December 1, 1986 and December 7, 1986, if a qualified Executive Director of Motion Picture Council has been appointed 17,365

Provisions:

1. The funds appropriated by this item shall be the exclusive source of the salaries, earned between December 1, 1986 and December 7, 1986, of persons serving in the exempt positions specified in subdivision (a) of Provision (5) of Item 2200-001-001.
2. The funds appropriated by this item shall be available for encumbrance only between December 1, 1986 and December 7, 1986, inclusive.
3. The funds appropriated by this item shall be available for encumbrance only if, on or before December 7, 1986, the Director of Commerce has submitted a letter to the Controller certifying that a qualified Executive Director of the Motion Picture Council has been appointed.

2200-026-001—For support of Department of Commerce, Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200-001-001, available for encumbrance only between December 8, 1986 and December 14, 1986, if a qualified Executive Director of Motion Picture Council has been appointed 17,365

Provisions:

1. The funds appropriated by this item shall be the exclusive source of the salaries, earned between December 8, 1986 and December 14, 1986, of persons serving in the exempt positions specified in subdivision (a) of Provision (5) of Item 2200-001-001.

Item	Amount
2. The funds appropriated by this item shall be available for encumbrance only between December 8, 1986 and December 14, 1986, inclusive.	
3. The funds appropriated by this item shall be available for encumbrance only if, on or before December 14, 1986, the Director of Commerce has submitted a letter to the Controller certifying that a qualified Executive Director of the Motion Picture Council has been appointed.	
2200-027-001—For support of Department of Commerce, Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200-001-001, available for encumbrance only between December 15, 1986 and December 21, 1986, if a qualified Executive Director of Motion Picture Council has been appointed	17,365
Provisions:	
1. The funds appropriated by this item shall be the exclusive source of the salaries, earned between December 15, 1986 and December 21, 1986, of persons serving in the exempt positions specified in subdivision (a) of Provision (5) of Item 2200-001-001.	
2. The funds appropriated by this item shall be available for encumbrance only between December 15, 1986 and December 21, 1986, inclusive.	
3. The funds appropriated by this item shall be available for encumbrance only if, on or before December 21, 1986, the Director of Commerce has submitted a letter to the Controller certifying that a qualified Executive Director of the Motion Picture Council has been appointed.	
2200-028-001—For support of Department of Commerce, Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200-001-001, available for encumbrance only between December 22, 1986 and December 28, 1986, if a qualified Executive Director of Motion Picture Council has been appointed	17,365

Item Amount

Provisions:

1. The funds appropriated by this item shall be the exclusive source of the salaries, earned between December 22, 1986 and December 28, 1986, of persons serving in the exempt positions specified in subdivision (a) of Provision (5) of Item 2200-001-001.
2. The funds appropriated by this item shall be available for encumbrance only between December 22, 1986 and December 28, 1986, inclusive.
3. The funds appropriated by this item shall be available for encumbrance only if, on or before December 28, 1986, the Director of Commerce has submitted a letter to the Controller certifying that a qualified Executive Director of the Motion Picture Council has been appointed.

2200-029-001—For support of Department of Commerce, Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200-001-001, available for encumbrance only between December 29, 1986 and January 4, 1987, if a qualified Executive Director of Motion Picture Council has been appointed 17,365

Provisions:

1. The funds appropriated by this item shall be the exclusive source of the salaries, earned between December 29, 1986 and January 4, 1987, of persons serving in the exempt positions specified in subdivision (a) of Provision (5) of Item 2200-001-001.
2. The funds appropriated by this item shall be available for encumbrance only between December 29, 1986 and January 4, 1987, inclusive.
3. The funds appropriated by this item shall be available for encumbrance only if, on or before January 4, 1987, the Director of Commerce has submitted a letter to the Controller certifying that a qualified Executive Director of the Motion Picture Council has been appointed.

2200-030-001—For support of Department of Commerce, Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200-001-001, available for encumbrance only between January 5, 1987 and January 11, 1987, if a qualified Executive Director of Motion Picture Council has been appointed 17,365

Item Amount

Provisions:

1. The funds appropriated by this item shall be the exclusive source of the salaries, earned between January 5, 1987 and January 11, 1987, of persons serving in the exempt positions specified in subdivision (a) of Provision (5) of Item 2200-001-001.
2. The funds appropriated by this item shall be available for encumbrance only between January 5, 1987 and January 11, 1987, inclusive.
3. The funds appropriated by this item shall be available for encumbrance only if, on or before January 11, 1987, the Director of Commerce has submitted a letter to the Controller certifying that a qualified Executive Director of the Motion Picture Council has been appointed.

2200-031-001—For support of Department of Commerce, Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200-001-001, available for encumbrance only between January 12, 1987 and January 18, 1987, if a qualified Executive Director of Motion Picture Council has been appointed 17,365

Provisions:

1. The funds appropriated by this item shall be the exclusive source of the salaries, earned between January 12, 1987 and January 18, 1987, of persons serving in the exempt positions specified in subdivision (a) of Provision (5) of Item 2200-001-001.
2. The funds appropriated by this item shall be available for encumbrance only between January 12, 1987 and January 18, 1987, inclusive.
3. The funds appropriated by this item shall be available for encumbrance only if, on or before January 18, 1987, the Director of Commerce has submitted a letter to the Controller certifying that a qualified Executive Director of the Motion Picture Council has been appointed.

2200-032-001—For support of Department of Commerce, Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200-001-001, available for encumbrance only between January 19, 1987 and January 25, 1987, if a qualified Executive Director of Motion Picture Council has been appointed 17,365

Item Amount

Provisions:

1. The funds appropriated by this item shall be the exclusive source of the salaries, earned between January 19, 1987 and January 25, 1987, of persons serving in the exempt positions specified in subdivision (a) of Provision (5) of Item 2200-001-001.
2. The funds appropriated by this item shall be available for encumbrance only between January 19, 1987 and January 25, 1987, inclusive.
3. The funds appropriated by this item shall be available for encumbrance only if, on or before January 25, 1987, the Director of Commerce has submitted a letter to the Controller certifying that a qualified Executive Director of the Motion Picture Council has been appointed.

2200-033-001—For support of Department of Commerce, Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200-001-001, available for encumbrance only between January 26, 1987 and February 1, 1987, if a qualified Executive Director of Motion Picture Council has been appointed 17,365

Provisions:

1. The funds appropriated by this item shall be the exclusive source of the salaries, earned between January 26, 1987 and February 1, 1987, of persons serving in the exempt positions specified in subdivision (a) of Provision (5) of Item 2200-001-001.
2. The funds appropriated by this item shall be available for encumbrance only between January 26, 1987 and February 1, 1987, inclusive.
3. The funds appropriated by this item shall be available for encumbrance only if, on or before February 1, 1987, the Director of Commerce has submitted a letter to the Controller certifying that a qualified Executive Director of the Motion Picture Council has been appointed.

2200-034-001—For support of Department of Commerce, Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200-001-001, available for encumbrance only between February 2, 1987 and February 8, 1987, if a qualified Executive Director of Motion Picture Council has been appointed 17,365

Item Amount

Provisions:

1. The funds appropriated by this item shall be the exclusive source of the salaries, earned between February 2, 1987 and February 8, 1987, of persons serving in the exempt positions specified in subdivision (a) of Provision (5) of Item 2200-001-001.
2. The funds appropriated by this item shall be available for encumbrance only between February 2, 1987 and February 8, 1987, inclusive.
3. The funds appropriated by this item shall be available for encumbrance only if, on or before February 8, 1987, the Director of Commerce has submitted a letter to the Controller certifying that a qualified Executive Director of the Motion Picture Council has been appointed.

2200-035-001—For support of Department of Commerce, Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200-001-001, available for encumbrance only between February 9, 1987 and February 15, 1987, if a qualified Executive Director of Motion Picture Council has been appointed 17,365

Provisions:

1. The funds appropriated by this item shall be the exclusive source of the salaries, earned between February 9, 1987 and February 15, 1987, of persons serving in the exempt positions specified in subdivision (a) of Provision (5) of Item 2200-001-001.
2. The funds appropriated by this item shall be available for encumbrance only between February 9, 1987 and February 15, 1987, inclusive.
3. The funds appropriated by this item shall be available for encumbrance only if, on or before February 15, 1987, the Director of Commerce has submitted a letter to the Controller certifying that a qualified Executive Director of the Motion Picture Council has been appointed.

2200-036-001—For support of Department of Commerce, Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200-001-001, available for encumbrance only between February 16, 1987 and February 22, 1987, if a qualified Executive Director of Motion Picture Council has been appointed 17,365

Item Amount

Provisions:

1. The funds appropriated by this item shall be the exclusive source of the salaries, earned between February 16, 1987 and February 22, 1987, of persons serving in the exempt positions specified in subdivision (a) of Provision (5) of Item 2200-001-001.
2. The funds appropriated by this item shall be available for encumbrance only between February 16, 1987 and February 22, 1987, inclusive.
3. The funds appropriated by this item shall be available for encumbrance only if, on or before February 22, 1987, the Director of Commerce has submitted a letter to the Controller certifying that a qualified Executive Director of the Motion Picture Council has been appointed.

2200-037-001—For support of Department of Commerce, Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200-001-001, available for encumbrance only between February 23, 1987 and March 1, 1987, if a qualified Executive Director of Motion Picture Council has been appointed 17,365

Provisions:

1. The funds appropriated by this item shall be the exclusive source of the salaries, earned between February 23, 1987 and March 1, 1987, of persons serving in the exempt positions specified in subdivision (a) of Provision (5) of Item 2200-001-001.
2. The funds appropriated by this item shall be available for encumbrance only between February 23, 1987 and March 1, 1987, inclusive.
3. The funds appropriated by this item shall be available for encumbrance only if, on or before March 1, 1987, the Director of Commerce has submitted a letter to the Controller certifying that a qualified Executive Director of the Motion Picture Council has been appointed.

2200-038-001—For support of Department of Commerce, Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200-001-001, available for encumbrance only between March 2, 1987 and March 8, 1987, if a qualified Executive Director of Motion Picture Council has been appointed 17,365

Item Amount

Provisions:

1. The funds appropriated by this item shall be the exclusive source of the salaries, earned between March 2, 1987 and March 8, 1987, of persons serving in the exempt positions specified in subdivision (a) of Provision (5) of Item 2200-001-001.
2. The funds appropriated by this item shall be available for encumbrance only between March 2, 1987 and March 8, 1987, inclusive.
3. The funds appropriated by this item shall be available for encumbrance only if, on or before March 8, 1987, the Director of Commerce has submitted a letter to the Controller certifying that a qualified Executive Director of the Motion Picture Council has been appointed.

2200-039-001—For support of Department of Commerce, Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200-001-001, available for encumbrance only between March 9, 1987 and March 15, 1987, if a qualified Executive Director of Motion Picture Council has been appointed 17,365

Provisions:

1. The funds appropriated by this item shall be the exclusive source of the salaries, earned between March 9, 1987 and March 15, 1987, of persons serving in the exempt positions specified in subdivision (a) of Provision (5) of Item 2200-001-001.
2. The funds appropriated by this item shall be available for encumbrance only between March 9, 1987 and March 15, 1987, inclusive.
3. The funds appropriated by this item shall be available for encumbrance only if, on or before March 15, 1987, the Director of Commerce has submitted a letter to the Controller certifying that a qualified Executive Director of the Motion Picture Council has been appointed.

2200-040-001—For support of Department of Commerce, Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200-001-001, available for encumbrance only between March 16, 1987 and March 22, 1987, if a qualified Executive Director of Motion Picture Council has been appointed 17,365

Item Amount

Provisions:

1. The funds appropriated by this item shall be the exclusive source of the salaries, earned between March 16, 1987 and March 22, 1987, of persons serving in the exempt positions specified in subdivision (a) of Provision (5) of Item 2200-001-001.
2. The funds appropriated by this item shall be available for encumbrance only between March 16, 1987 and March 22, 1987, inclusive.
3. The funds appropriated by this item shall be available for encumbrance only if, on or before March 22, 1987, the Director of Commerce has submitted a letter to the Controller certifying that a qualified Executive Director of the Motion Picture Council has been appointed.

2200-041-001—For support of Department of Commerce, Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200-001-001, available for encumbrance only between March 23, 1987 and March 29, 1987, if a qualified Executive Director of Motion Picture Council has been appointed 17,365

Provisions:

1. The funds appropriated by this item shall be the exclusive source of the salaries, earned between March 23, 1987 and March 29, 1987, of persons serving in the exempt positions specified in subdivision (a) of Provision (5) of Item 2200-001-001.
2. The funds appropriated by this item shall be available for encumbrance only between March 23, 1987 and March 29, 1987, inclusive.
3. The funds appropriated by this item shall be available for encumbrance only if, on or before March 29, 1987, the Director of Commerce has submitted a letter to the Controller certifying that a qualified Executive Director of the Motion Picture Council has been appointed.

2200-042-001—For support of Department of Commerce, Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200-001-001, available for encumbrance only between March 30, 1987 and April 5, 1987, if a qualified Executive Director of Motion Picture Council has been appointed 17,365

Item	Amount
Provisions: 1. The funds appropriated by this item shall be the exclusive source of the salaries, earned between March 30, 1987 and April 5, 1987, of persons serving in the exempt positions specified in subdivision (a) of Provision (5) of Item 2200-001-001. 2. The funds appropriated by this item shall be available for encumbrance only between March 30, 1987 and April 5, 1987, inclusive. 3. The funds appropriated by this item shall be available for encumbrance only if, on or before April 5, 1987, the Director of Commerce has submitted a letter to the Controller certifying that a qualified Executive Director of the Motion Picture Council has been appointed.	
2200-043-001—For support of Department of Commerce, Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200-001-001, available for encumbrance only between April 6, 1987 and April 12, 1987, if a qualified Executive Director of Motion Picture Council has been appointed	17,365
Provisions: 1. The funds appropriated by this item shall be the exclusive source of the salaries, earned between April 6, 1987 and April 12, 1987, of persons serving in the exempt positions specified in subdivision (a) of Provision (5) of Item 2200-001-001. 2. The funds appropriated by this item shall be available for encumbrance only between April 6, 1987 and April 12, 1987, inclusive. 3. The funds appropriated by this item shall be available for encumbrance only if, on or before April 12, 1987, the Director of Commerce has submitted a letter to the Controller certifying that a qualified Executive Director of the Motion Picture Council has been appointed.	
2200-044-001—For support of Department of Commerce, Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200-001-001, available for encumbrance only between April 13, 1987 and April 19, 1987, if a qualified Executive Director of Motion Picture Council has been appointed	17,365

Item Amount

Provisions:

1. The funds appropriated by this item shall be the exclusive source of the salaries, earned between April 13, 1987 and April 19, 1987, of persons serving in the exempt positions specified in subdivision (a) of Provision (5) of Item 2200-001-001.
2. The funds appropriated by this item shall be available for encumbrance only between April 13, 1987 and April 19, 1987, inclusive.
3. The funds appropriated by this item shall be available for encumbrance only if, on or before April 19, 1987, the Director of Commerce has submitted a letter to the Controller certifying that a qualified Executive Director of the Motion Picture Council has been appointed.

2200-045-001—For support of Department of Commerce, Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200-001-001, available for encumbrance only between April 20, 1987 and April 26, 1987, if a qualified Executive Director of Motion Picture Council has been appointed 17,365

Provisions:

1. The funds appropriated by this item shall be the exclusive source of the salaries, earned between April 20, 1987 and April 26, 1987, of persons serving in the exempt positions specified in subdivision (a) of Provision (5) of Item 2200-001-001.
2. The funds appropriated by this item shall be available for encumbrance only between April 20, 1987 and April 26, 1987, inclusive.
3. The funds appropriated by this item shall be available for encumbrance only if, on or before April 26, 1987, the Director of Commerce has submitted a letter to the Controller certifying that a qualified Executive Director of the Motion Picture Council has been appointed.

2200-046-001—For support of Department of Commerce, Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200-001-001, available for encumbrance only between April 27, 1987 and May 3, 1987, if a qualified Executive Director of Motion Picture Council has been appointed 17,365

Item	Amount

Provisions:

1. The funds appropriated by this item shall be the exclusive source of the salaries, earned between April 27, 1987 and May 3, 1987, of persons serving in the exempt positions specified in subdivision (a) of Provision (5) of Item 2200-001-001.
2. The funds appropriated by this item shall be available for encumbrance only between April 27, 1987 and May 3, 1987, inclusive.
3. The funds appropriated by this item shall be available for encumbrance only if, on or before May 3, 1987, the Director of Commerce has submitted a letter to the Controller certifying that a qualified Executive Director of the Motion Picture Council has been appointed.

2200-047-001—For support of Department of Commerce, Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200-001-001, available for encumbrance only between May 4, 1987 and May 10, 1987, if a qualified Executive Director of Motion Picture Council has been appointed 17,365

Provisions:

1. The funds appropriated by this item shall be the exclusive source of the salaries, earned between May 4, 1987 and May 10, 1987, of persons serving in the exempt positions specified in subdivision (a) of Provision (5) of Item 2200-001-001.
2. The funds appropriated by this item shall be available for encumbrance only between May 4, 1987 and May 10, 1987, inclusive.
3. The funds appropriated by this item shall be available for encumbrance only if, on or before May 10, 1987, the Director of Commerce has submitted a letter to the Controller certifying that a qualified Executive Director of the Motion Picture Council has been appointed.

2200-048-001—For support of Department of Commerce, Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200-001-001, available for encumbrance only between May 11, 1987 and May 17, 1987, if a qualified Executive Director of Motion Picture Council has been appointed 17,365

Item Amount

Provisions:

1. The funds appropriated by this item shall be the exclusive source of the salaries, earned between May 11, 1987 and May 17, 1987, of persons serving in the exempt positions specified in subdivision (a) of Provision (5) of Item 2200-001-001.
2. The funds appropriated by this item shall be available for encumbrance only between May 11, 1987 and May 17, 1987, inclusive.
3. The funds appropriated by this item shall be available for encumbrance only if, on or before May 17, 1987, the Director of Commerce has submitted a letter to the Controller certifying that a qualified Executive Director of the Motion Picture Council has been appointed.

2200-049-001—For support of Department of Commerce, Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200-001-001, available for encumbrance only between May 18, 1987 and May 24, 1987, if a qualified Executive Director of Motion Picture Council has been appointed 17,365

Provisions:

1. The funds appropriated by this item shall be the exclusive source of the salaries, earned between May 18, 1987 and May 24, 1987, of persons serving in the exempt positions specified in subdivision (a) of Provision (5) of Item 2200-001-001.
2. The funds appropriated by this item shall be available for encumbrance only between May 18, 1987 and May 24, 1987, inclusive.
3. The funds appropriated by this item shall be available for encumbrance only if, on or before May 24, 1987, the Director of Commerce has submitted a letter to the Controller certifying that a qualified Executive Director of the Motion Picture Council has been appointed.

2200-050-001—For support of Department of Commerce, Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200-001-001, available for encumbrance only between May 25, 1987 and May 31, 1987, if a qualified Executive Director of Motion Picture Council has been appointed 17,365

Item Amount

Provisions:

1. The funds appropriated by this item shall be the exclusive source of the salaries, earned between May 25, 1987 and May 31, 1987, of persons serving in the exempt positions specified in subdivision (a) of Provision (5) of Item 2200-001-001.
2. The funds appropriated by this item shall be available for encumbrance only between May 25, 1987 and May 31, 1987, inclusive.
3. The funds appropriated by this item shall be available for encumbrance only if, on or before May 31, 1987, the Director of Commerce has submitted a letter to the Controller certifying that a qualified Executive Director of the Motion Picture Council has been appointed.

2200-051-001—For support of Department of Commerce, Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200-001-001, available for encumbrance only between June 1, 1987 and June 7, 1987, if a qualified Executive Director of Motion Picture Council has been appointed 17,365

Provisions:

1. The funds appropriated by this item shall be the exclusive source of the salaries, earned between June 1, 1987 and June 7, 1987, of persons serving in the exempt positions specified in subdivision (a) of Provision (5) of Item 2200-001-001.
2. The funds appropriated by this item shall be available for encumbrance only between June 1, 1987 and June 7, 1987, inclusive.
3. The funds appropriated by this item shall be available for encumbrance only if, on or before June 7, 1987, the Director of Commerce has submitted a letter to the Controller certifying that a qualified Executive Director of the Motion Picture Council has been appointed.

2200-052-001—For support of Department of Commerce, Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200-001-001, available for encumbrance only between June 8, 1987 and June 14, 1987, if a qualified Executive Director of Motion Picture Council has been appointed 17,365

Item Amount

Provisions:

1. The funds appropriated by this item shall be the exclusive source of the salaries, earned between June 8, 1987 and June 14, 1987, of persons serving in the exempt positions specified in subdivision (a) of Provision (5) of Item 2200-001-001.
2. The funds appropriated by this item shall be available for encumbrance only between June 8, 1987 and June 14, 1987, inclusive.
3. The funds appropriated by this item shall be available for encumbrance only if, on or before June 14, 1987, the Director of Commerce has submitted a letter to the Controller certifying that a qualified Executive Director of the Motion Picture Council has been appointed.

2200-053-001—For support of Department of Commerce, Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200-001-001, available for encumbrance only between June 15, 1987 and June 21, 1987, if a qualified Executive Director of Motion Picture Council has been appointed 17,365

Provisions:

1. The funds appropriated by this item shall be the exclusive source of the salaries, earned between June 15, 1987 and June 21, 1987, of persons serving in the exempt positions specified in subdivision (a) of Provision (5) of Item 2200-001-001.
2. The funds appropriated by this item shall be available for encumbrance only between June 15, 1987 and June 21, 1987, inclusive.
3. The funds appropriated by this item shall be available for encumbrance only if, on or before June 21, 1987, the Director of Commerce has submitted a letter to the Controller certifying that a qualified Executive Director of the Motion Picture Council has been appointed.

2200-054-001—For support of Department of Commerce, Salaries of Exempt Positions Specified in subdivision (a) of Provision 5 of Item 2200-001-001, available for encumbrance only between June 22, 1987 and June 30, 1987, if a qualified Executive Director of Motion Picture Council has been appointed 17,365

Item Amount

Provisions:

1. The funds appropriated by this item shall be the exclusive source of the salaries, earned between June 22, 1987 and June 30, 1987, of persons serving in the exempt positions specified in subdivision (a) of Provision (5) of Item 2200-001-001.
2. The funds appropriated by this item shall be available for encumbrance only between June 22, 1987 and June 30, 1987, inclusive.
3. The funds appropriated by this item shall be available for encumbrance only if, on or before June 30, 1987, the Director of Commerce has submitted a letter to the Controller certifying that a qualified Executive Director of the Motion Picture Council has been appointed.

2200-101-890—For local assistance, Department of Commerce, Program 40, Office of Local Development, payable from the Federal Trust Fund 200,000

2200-101-922—For local assistance, Department of Commerce, Program 40, Office of Local Development, payable from the California Economic Development Grant and Loan Fund 3,200,000

Provisions:

1. In addition to moneys appropriated by this item, all revenues received and deposited into the California Economic Development Grant and Loan Fund shall be available to the department during the 1986–87 fiscal year for expenditure not sooner than 30 days after written notification of the necessity thereof is submitted to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee.

2240-001-001—For support of Department of Housing and Community Development 5,914,000

Schedule:

(a) 10-Codes and Standards Program	18,949,000
(b) 20-Community Affairs Program ..	13,397,000
(c) 30-Housing Policy Development Program	1,264,000
(d) 50.01-Administration	7,899,000
(e) 50.02-Distributed Administration..	−7,899,000
(f) Reimbursements	−7,256,000
(g) Amount payable from the Mobilehome Park Revolving Fund (Item 2240-001-245)	−2,561,000

Item		Amount
(h)	Amount payable from the Manufactured Home License Fee Account, General Fund (Item 2240-001-451)	−1,821,000
(i)	Amount payable from the Mobilehome Park Purchase Fund (Item 2240-001-530)	−221,000
(j)	Amount payable from the Rural Predevelopment Loan Fund (Item 2240-001-635)	−198,000
(k)	Amount payable from the Mobilehome-Manufactured Housing Revolving Fund (Item 2240-001-648)	−12,516,000
(*l*)	Amount payable from the Self-Help Housing Fund (Item 2240-001-813)	−154,000
(m)	Amount payable from the Farm Labor Housing Rehabilitation Loan Account (Item 2240-001-844)	−33,000
(n)	Amount payable from the Federal Trust Fund (Item 2240-001-890)	−1,260,000
(o)	Amount payable from the Housing Rehabilitation Loan Fund (Item 2240-001-929)	−501,000
(p)	Amount payable from the Homeownership Assistance Fund (Item 2240-001-936)	−213,000
(q)	Amount payable from the Rental Housing Construction Fund (Item 2240-001-938)	−524,000
(r)	Amount payable from the Special Deposit Fund (Item 2240-001-942)	−20,000
(s)	Amount payable from the Urban Predevelopment Loan Fund (Item 2240-001-980)	−182,000
(t)	Amount payable from the Rural Communities Facilities Fund (Item 2240-001-984)	−12,000
(u)	Amount payable from the Emergency Housing Assistance Fund (Item 2240-001-985)	−124,000
(v)	Amount payable from the Special Account for Capital Outlay (Item 2240-001-036)	−100,000

Item Amount

Provisions:

1. Notwithstanding Section 14669 of the Government Code, the Director of General Services, acting on behalf of the Department of Housing and Community Developrnent, may enter into a lease, a lease with an option to purchase, or a lease-purchase agreement, for the purpose of providing an adequate facility for the department. Prior to entering into any contractual agreement for a new facility, the Director will prepare an analysis to provide adequate facilities under a variety of arrangements which includes, but is not limited to, the use of a lease, a lease with an option to purchase, or a lease-purchase agreement. The Director shall not enter into a lease, a lease with an option to purchase, or a lease-purchase agreement, unless, at least 30 days prior to its execution, the Director notifies the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the legislative fiscal committees of his or her intent to enter into such an agreement and shall include an analysis and justification for selecting the approach which the Director deems to be in the best interest of the State.
2. Of the amount appropriated in Item 2240-001-648, $1,018,000 proposed for completion of the department's inhouse registration and titling system shall be expended only after approval by the Department of Finance, and no sooner than 30 days prior to notification of the Joint Legislative Budget Committee, of the department's plan for expenditure of the funds. The notification to the Joint Legislative Budget Committee shall include a detailed breakdown and explanation of expenses for personal services, contract personnel, and other operating expenses and a timeline of the tasks to be performed.

2240-001-036—For support, Department of Housing and Community Development, for transfer to Item 2240-001-001, payable from the Special Account for Capital Outlay 100,000

Item	Amount
Provisions:	
1. Funds appropriated by this item shall be expended for contracted services in Nevada, Sierra, Sutter, Yuba, and Butte counties for the Rural Development Assistance Program established pursuant to Section 50507 of the Health and Safety Code. The contracted services shall be with regional nonprofit entities that are currently working in or have access to the area, and that have experience in providing and will under the contract provide comprehensive housing and community development services. Up to one-half of the contracted services shall be for community economic development services.	
2240-001-245—For support of Department of Housing and Community Development, for transfer to Item 2240-001-001, payable from the Mobilehome Park Revolving Fund	2,561,000
2240-001-451—For support of Department of Housing and Community Development, for transfer to Item 2240-001-001, payable from the Manufactured Home License Fee Account, General Fund	1,821,000
2240-001-530—For support of Department of Housing and Community Development, for transfer to Item 2240-001-001, payable from the Mobilehome Park Purchase Fund	221,000
2240-001-635—For support of Department of Housing and Community Development, for transfer to Item 2240-001-001, payable from the Rural Predevelopment Loan Fund	198,000
2240-001-648—For support of Department of Housing and Community Development, for transfer to Item 2240-001-001, payable from the Mobilehome-Manufactured Home Revolving Fund	12,516,000
Provisions:	
1. In addition to the funds appropriated in this item, $2,500,000 shall be transferred by the State Controller from the Mobilehome-Manufactured Home Revolving Fund to the Mobilehome Park Purchase Fund.	
2240-001-813—For support of Department of Housing and Community Development, for transfer to Item 2240-001-001, payable from the Self-Help Housing Fund	154,000

Item			Amount
2240-001-844—For support of Department of Housing and Community Development, for transfer to Item 2240-001-001, payable from the Farm Labor Housing Rehabilitation Loan Account			33,000
2240-001-890—For support of Department of Housing and Community Development, for transfer to Item 2240-001-001, payable from the Federal Trust Fund			1,260,000
2240-001-929—For support of Department of Housing and Community Development, for transfer to Item 2240-001-001, payable from the Housing Rehabilitation Loan Fund			501,000
2240-001-936—For support of Department of Housing and Community Development, for transfer to Item 2240-001-001, payable from the Homeownership Assistance Fund			213,000
2240-001-938—For support of Department of Housing and Community Development, for transfer to Item 2240-001-001, payable from the Rental Housing Construction Fund			524,000
2240-001-942—For support of Department of Housing and Community Development, for transfer to Item 2240-001-001, payable from the Special Deposit Fund			20,000
2240-001-980—For support of Department of Housing and Community Development, for transfer to Item 2240-001-001, payable from the Urban Predevelopment Loan Fund			182,000
2240-001-984—For support of Department of Housing and Community Development, for transfer to Item 2240-001-001, payable from the Rural Communities Facilities Fund			12,000
2240-001-985—For support of Department of Housing and Community Development, for transfer to Item 2240-001-001, payable from the Emergency Housing Assistance Fund			124,000
2240-101-001—For local assistance, Department of Housing and Community Development			6,900,000
Schedule:			
(a) 20-Community Affairs		43,470,000	
(b) Amount Payable from the Farm Labor Housing Rehabilitation Loan Account (Item 2240-101-844)		−970,000	
(c) Amount Payable from the Federal Trust Fund (Item 2240-101-890)		−35,600,000	

Item Amount

Provisions:

1. Of the amount appropriated by this item, $2,500,000 shall be available for transfer by the State Controller to the Farmworker Housing Grant Fund (927).

2240-101-036—For local assistance, Department of Housing and Community Development 4,500,000

Provisions:

1. Of the amount appropriated by this item, $2,000,000 shall be available for transfer by the Controller to the Farmworker Housing Grant Fund (927).
2. Of the amount appropriated by this item, $2,500,000 shall be expended for development of farm labor camps pursuant to Section 50710 of the Health and Safety Code, provided that no more than $600,000 may be expended for migrant housing which provides a parking space for travel trailers and vehicles for migrant farmworkers and minimum facilities such as water and utility hookups, laundries, and lavatories, and provided that not more than 3 percent of the amount may be transferred to category (b) of Item 2240-001-001 administrative costs.

2240-101-843—For local assistance, Department of Housing and Community Development, payable from the California Housing Trust Fund 14,000,000

Schedule:

(a) 20-Community Affairs 14,000,000
  (1) Rental Housing Construction Program ..... (5,000,000)
  (2) Emergency Shelter Program ..... (4,000,000)
  (3) Self-Help Housing Program ..... (2,000,000)
  (4) Senior Shared Housing ..... (500,000)
  (5) Special User Housing Rehabilitation Program ..... (2,500,000)

Item	Amount
Provisions: 1. In addition to the funds appropriated in this item, $1,000,000 shall be transferred by the State Controller from the California Housing Trust Fund to the Farm Labor Housing Rehabilitation Loan Account to be used pursuant to Chapter 1584, Statutes of 1985, when appropriated. 2. Of the funds appropriated in this item for the Rental Housing Construction Program, up to 50 percent may be transferred to the Housing Rehabilitation Loan Fund to be used for Deferred Payment Rehabilitation Loans. 3. Of the amount appropriated by this item, $4,000,000 shall be available for transfer to the Emergency Housing and Assistance Fund, to be encumbered pursuant to Chapter 11 (commencing with Section 50800) of Part 2 of Division 31 of the Health and Safety Code. Notwithstanding any other provision of law, up to 50 percent of these funds may be used for the cost of operations.	
2240-101-844—For local assistance, Department of Housing and Community Development, for transfer to Item 2240-101-001, payable from the Farm Labor Housing Rehabilitation Loan Account	970,000
2240-101-890—For local assistance, Department of Housing and Community Development, for transfer to Item 2240-101-001, payable from the Federal Trust Fund	35,600,000
2240-111-036—For local assistance, Department of Housing and Community Development, for transfer to the Rural Communities Facilities Fund (984)	500,000
2240-121-001—For local assistance, Department of Housing and Community Development	13,000,000
Provisions: 1. Of the amount appropriated by this item, $6,000,000 shall be for transfer to the Emergency Housing and Assistance Fund, to be encumbered pursuant to Chapter 11 (commencing with Section 50800) of Part 2 of Division 31 of the Health and Safety Code. Notwithstanding any other provision of law, up to 50 percent of these funds may be used for the cost of operations. 2. Of the amount appropriated by this item, $4,500,000 is for transfer to the Housing Rehabilitation Loan Fund to be used for Deferred Payment Rehabilitation Loans.	

Item Amount

3. Of the amounts appropriated by this item, $2,500,000 is for the transfer to the Rental Housing Construction Fund, provided that up to $500,000 may be transferred to the Housing Rehabilitation Loan Fund to be used for Deferred Payment Rehabilitation Loans, and that $1,500,000 shall be expended for the Rural Rental Assistance Program.
4. Notwithstanding any other provision of law, up to 3 percent of the funds appropriated by this item may be transferred to category (b) of Item 2240-001-001 for personnel or contracted services.

2290-001-217—For support of Department of Insurance, payable from the Insurance Fund 26,005,500

Schedule:

(a) 10-Regulation of Insurance Companies and Insurance Producers ..	24,796,500
(b) 20-Fraud Control	982,000
(c) 30-Tax Collection and Audit	245,000
(d) 40.01-Administration	5,134,000
(e) 40.02-Distributed Administration..	−5,152,000

Provisions:

2. Of the amount appropriated by this item, $300,000 shall be used to improve consumer telephone access and service to the department's Consumer Affairs Division. Specifically, the funds shall be used to: (1) fund a toll-free 1-800 number for consumer complaints; (2) hire six insurance policy officers to answer incoming consumer calls; and (3) purchase additional telephone equipment.
5. Of the amount appropriated in this item, $250,000 shall be used to fund eight additional insurance policy officer positions in the department's Consumer Affairs Division for the purpose of providing increased public protection by conducting a greater number of market conduct examinations. The department shall conduct 36 examinations annually.
6. Of the amount appropriated in this item, $300,000 shall be used to fund 10 additional complaint handling positions in the department's Consumer Affairs Division so as to improve services provided to the public.

Item		Amount
7. Of the amount appropriated in this item, $200,000 shall be used to increase public awareness of various insurance issues of interest to consumers by printing and distributing an increased number of consumer information pamphlets at all Department of Motor Vehicles offices throughout the state.		
2320-001-317—For support of Department of Real Estate, payable from the Real Estate Fund		21,810,000
Schedule:		
(a) 10-Licensing and Education	5,404,000	
(b) 20-Regulatory and Recovery	11,237,000	
(c) 30-Subdivisions	5,472,000	
(d) 40.10-Administration	4,108,000	
(e) 40.20-Distributed Administration	−4,108,000	
(f) Reimbursements	−303,000	
2340-001-337—For support of Department of Savings and Loan, payable from the Savings Association Special Regulatory Fund		8,847,000
Schedule:		
(a) 100000-Personal Services	6,364,000	
(b) 300000-Operating Expenses and Equipment	2,483,000	
Provisions:		
1. Of the $637,000 appropriated in this item for the implementation of an office automation project, no more than $261,000 may be encumbered until the Office of Information Technology approves a pilot evaluation report submitted by the department which: (a) substantiates the costs and benefits of the proposed system as set forth in the department's feasibility study report; and (b) verifies that the project can be fully implemented within the amount appropriated for the project.		
2600-001-042—For support of California Transportation Commission, for transfer to Item 2600-001-046, payable from the State Highway Account, State Transportation Fund		125,000
2600-001-046—For support of California Transportation Commission, payable from the Transportation Planning and Development Account, State Transportation Fund		1,055,000
Schedule:		
(a) 10-Administration of California Transportation Commission	1,180,000	

Item Amount

(b) Amount payable from the State Highway Account, State Transportation Fund (Item 2600-001-042) .. —125,000

Provisions:

1. The California Transportation Commission shall notify the chairpersons of the legislative fiscal committees and the Chairperson of the Joint Legislative Budget Committee not less than 30 days prior to expending any of the funds appropriated for consulting and professional services for which specific justification was not provided to the Legislative Analyst, if the expenditures are pursuant to a contract exceeding $10,000. This notification shall include a statement as to the objective of the contract, a summary discussion of the work to be performed, and the time requirements and various cost elements for the contracted services.

2640-101-046—For local assistance, Special Transportation Programs, notwithstanding Section 99312 of the Public Utilities Code, there is hereby appropriated to the Department of Transportation from the Transportation Planning and Development Account, State Transportation Fund, all resources available in the account in the 1986–87 fiscal year, other than those appropriated for other purposes by this act, for allocation in the 1986–87 fiscal year pursuant to subdivisions (a) and (b) of Section 99312 of the Public Utilities Code.

Provisions:

1. Notwithstanding Sections 99313 and 99314 of the Public Utilities Code, an amount not more than $114,500 of the amount appropriated by this item shall fund the Department of Transportation's expenditures for administration of State Transit Assistance funds and the federal match requirement of the Transit Management Assistance program.

2660-001-041—For support of Department of Transportation, for transfer to Item 2660-001-042, payable from the Aeronautics Account, State Transportation Fund 2,421,000

2660-001-042—For support of Department of Transportation, payable from the State Highway Account, State Transportation Fund 854,992,000

Schedule:

(a) 10-Aeronautics 2,477,000

Item		Amount
(b) Highways		1,014,120,000
(1) 20.10-Rehabilitation	(57,630,000)	
(2) 20.20-Operational improvements	(78,136,000)	
(3) 20.30-Local assistance	(8,036,000)	
(4) 20.40-Program development	(4,036,000)	
(5) 20.50-New facilities	(109,728,000)	
(6) 20.60-Administration	(104,708,000)	
(7) 20.70-Operations	(49,657,000)	
(8) 20.80-Maintenance	(443,828,000)	
(9) Bicycle Lane Account	(10,000)	
(10) Federal Trust Fund	(142,037,000)	
(11) Reimbursements	(16,314,000)	
(c) 30-Mass Transportation		50,003,000
(d) 40-Transportation Planning		10,242,000
(e) 50.01-Administration		115,509,000
(f) 50.02-Distributed Administration		−115,666,000
(g) Reimbursements		−35,716,000
(h) Amount payable from the Aeronautics Account, State Transportation Fund, (Item 2660-001-041)		−2,421,000
(i) Amount payable from the Bicycle Lane Account, State Transportation Fund (Item 2660-001-045)		−10,000
(j) Amount payable from the Transportation Planning and Development Account, State Transportation Fund (Item 2660-001-046)		−29,472,000
(k) Amount payable from the Abandoned Railroad Account, State Transportation Fund (Item 2660-001-047)		−57,000
(*l*) Amount payable from the Federal Trust Fund (Item 2660-001-890)		−153,434,000
(m) Amount payable from Consol-		

Item		Amount
	idated Tollbridge Funds (Item 2660-001-987)	−583,000

Provisions:

1. For Program 20—Highway Transportation. Notwithstanding other provisions of law, up to 10 percent of any of the amounts scheduled within Item 2660-001-042, may be transferred to Item 2660-101-042 or Item 2660-301-042 only under emergency situations, for implementation of cost savings programs, or to maximize the use of federal funds. These transfers shall require the prior approval of the California Transportation Commission and the Department of Finance.
2. For Program 20—Highway Transportation. Funds appropriated by this item shall be available for support of those projects which have been included in a State Transportation Improvement Plan adopted by the California Transportation Commission.
3. For Program 20—Highway Transportation. The department shall notify the chairperson of the fiscal committees and the Chairperson of the Joint Legislative Budget Committee at least 20 days prior to spending funds to expand activities above budgeted levels or to implement a new activity not identified in the Budget, including any such expenditures to be funded through a transfer of money from other expenditure categories or programs, except in the case of emergency snow or storm damage work increases.
4. The Director shall report to the Chairman of the Joint Legislative Budget Committee and the chairman of the fiscal committees by December 15, 1986, on the effectiveness of contracting and the department's experience since 1984–85. The report shall include, but not be limited to, the following information: (1) the appropriated amounts and actual amounts spent for contracting in the 1984–85 and 1985–86 fiscal years for identified activities in highway maintenance and project development; and (2) the volume of work accomplished in each category of activities and the personnel-year equivalent of this work, had the department performed the work using its own staff.

Item	Amount
5. Of the funds appropriated in this item, an amount not to exceed $150,000 may be used to contract with the Legislative Analyst for purposes of contracting for a study pursuant to SCR 59 of the 1985–86 Regular Session to identify alternatives to accrual methods of accounting for State Highway Account funds; the impact of such alternatives on project programming, budgeting, and accounting procedures; and to make recommendations on prudent changes in the management of the state resources supporting the State Highway Program which would minimize the accumulation of large appropriated and unappropriated balances in the State Highway Account.	
6. Of the amount appropriated by this item, $5,250,000 may be expended in the first quarter of fiscal year 1986–87 for contracting out the equivalent of 66.75 personnel years of project development work consistent with existing law. After the first quarter, $15,750,000 shall be expended to employ up to 203.75 personnel years of departmental staff to perform project development work, or may be expended for contracting out the equivalent of 203.75 personnel years if and only if legislation is enacted providing the department with clear contracting authority for this work.	
7. The department shall report on December 31, 1986, and semiannually thereafter, on its contracting experience. Information reported shall include, but not be limited to, the types and amount of project development work contracted and an assessment of the potential and ease to contract with the private sector on a continuous basis.	
8. Of the funds appropriated in this item, $1,500,000 from the State Highway Account is for the support of research and development efforts associated with the Santa Barbara Highway Electrification and Automation Demonstration Project. This amount shall be available contingent upon the receipt of at least $900,000 in federal funds in the 1986–87 fiscal year. The project shall be managed by the Department of Transportation and conducted by the Institution of Transportation Studies, University of California.	

Item	Amount

9. The augmentation of $700,000 shall be used by the Department to hire 50 permanent/intermittent employees during the winter season to be stationed in mountain areas to maintain snow removal equipment and to clear snow from highways.
10. The Department shall, to the maximum extent possible, discontinue its policy of utilizing permanent on-call employees for snow removal activities.
11. The Director shall report to the Legislature and the Legislative Analyst by April 1, 1987, on the result of the Department's redirection of 21 personnel-years to snow removal activities and its increase of 31 personnel-years for cash overtime. The report shall take into account: (a) cost effectiveness; (b) quality of service; (c) lost revenue and taxes resulting from necessary and unnecessary road closures; (d) management issues, such as employee morale; and (e) equipment maintenance needs.
12. Of funds appropriated in this item, up to $800,000 from the State Highway Account shall be available to the Department to perform a detailed system analysis of the State Route 61 Corridor between State Route 84 in Newark and I-580 in Albany.
13. No funds allocated for Capital Outlay Support overtime shall be expended in such a way that any employee receives overtime payments in excess of three months in any one year, except for employee overtime payments made for the duration of flood, fire, or other similar emergency. The Director shall report to the Legislature by September 1, 1986 on its guideline on the use of overtime in Capital Outlay Support.
14. It is the intent of the Legislature that $4,200,000 of the funds appropriated by this item be used to hire 70 additional personnel years of capital outlay support staff. To the extent that the hiring of staff cannot be completed within the time which the public interest requires this capital outlay support work to be completed, then the department may use these funds for cash overtime to accomplish the work.

Item	Amount
2660-001-045—For support of Department of Transportation, for transfer to Item 2660-001-042, payable from the Bicycle Lane Account, State Transportation Fund	10,000
2660-001-046—For support of Department of Transportation, for transfer to Item 2660-001-042, payable from the Transportation Planning and Development Account, State Transportation Fund	29,472,000
Provisions:	
1. For Program 30—Mass Transportation. Notwithstanding any other provisions of law, the Department's Transit Management Assistance and State Transit Assistance activities, which are not payable from federal funds, shall be payable from the funds made available pursuant to Sections 99313 and 99314 of the Public Utilities Code.	
2. For Program 30—Mass Transportation. $11,764,000 of the funds appropriated in this item shall be allocated by the California Transportation Commission pursuant to Section 99316 of the Public Utilities Code.	
2660-001-047—For support of Department of Transportation, for transfer to Item 2660-001-042, payable from the Abandoned Railroad Account, State Transportation Fund	57,000
2660-001-890—For support of Department of Transportation, for transfer to Item 2660-001-042, payable from the Federal Trust Fund	153,434,000
Provisions:	
1. For Program 20—Highway Transportation. Notwithstanding other provisions of law, up to 10 percent of any of the amounts scheduled within Item 2660-001-890, may be transferred to Item 2660-101-890 or Item 2660-301-890 only under emergency situations, for implementation of cost savings programs, or to maximize the use of federal funds. These transfers shall require the prior approval of the California Transportation Commission and the Department of Finance.	
2. For Program 20—Highway Transportation. Funds appropriated in this item shall be available for support of those projects which have been included in a State Transportation Improvement Plan adopted by the California Transportation Commission.	

Item Amount

3. For Program 20—Highway Transportation. For purposes of the Streets and Highways Code, all expenditures from this item shall be deemed to be expenditures from the State Highway Account, State Transportation Fund.
4. For Program 20—Highway Transportation. Federal funds received may be from any federal source, and shall be deposited in the Federal Trust Fund. Any federal reimbursements shall be credited to the account from which the expenditures were originally made.

2660-001-987—For support, Department of Transportation, for transfer to Item 2660-001-042, payable from the Consolidated Toll Bridge Fund 583,000

2660-011-041—For transfer by the State Controller from the Aeronautics Account, State Transportation Fund (041), to the Transportation Planning and Development Account, State Transportation Fund (046), as prescribed by Section 21682.5 of the Public Utilities Code ..... (30,000)

2660-021-042—For transfer by the State Controller from the State Highway Account, State Transportation Fund (042), to the Transportation Planning and Development Account, State Transportation Fund (046) as prescribed by Section 194 of the Streets and Highways Code ..... (9,800,000)

2660-031-042—(a) There is hereby appropriated, from the reserve account established pursuant to subdivision (b) of Section 71 of Chapter 161 of the Statutes of 1979 in the State Highway Account in the State Transportation Fund, to the State Highway Account, for expenditure by the Department of Transportation, an amount sufficient to fund the appropriations to the Department of Transportation made by this act.

It is the intent of the Legislature that all available revenues in the State Highway Account, including the reserve account, be used for the specific purposes authorized and in the order of receipt (first available—first used).

(b) There is hereby appropriated, on June 30, 1987, to the reserve account established pursuant to subdivision (b) of Section 71 of Chapter 161 of the Statutes of 1979 in the State Highway Account, all money in or due to the State Highway Account on the date which is not appropriated as of that date, to be available for expenditure only upon appro-

Item		Amount
priation in the Budget Act.		
2660-051-001—For transfer by the State Controller from the General Fund to the Transportation Planning and Development Account in the State Transportation Fund, in lieu of any transfer which would otherwise be made during the 1986–87 fiscal year pursuant to subparagraph (A) of paragraph (2) of subdivision (a) of Section 7102 of the Revenue and Taxation Code for allocation pursuant to subdivision (c) of Section 99312 of the Public Utilities Code		55,000,000
Provisions:		
1. In the event that the amount transferred under this item would result in a combined transfer under this item and under paragraph (1) of subdivision (a) of Section 7102 of the Revenue and Taxation Code which is in excess of $110 million in the 1986–87 fiscal year, then the amount transferred to the Transportation Planning and Development Account, State Transportation Fund, under this item shall be reduced to provide for a combined transfer of $110 million.		
2660-101-041—For local assistance, Department of Transportation, for transfer to Item 2660-101-042, payable from the Aeronautics Account, State Transportation Fund		200,000
2660-101-042—For local assistance, Department of Transportation, payable from the State Highway Account, State Transportation Fund		63,920,000
Schedule:		
(a) 10-Aeronautics	200,000	
(b) 20-Highway Transportation	286,250,000	
(1) 20.30-Local Assistance	(32,000,000)	
(2) Bicycle Lane Account	(750,000)	
(3) Federal Trust Fund	(253,500,000)	
(c) 30-Mass Transportation	85,469,000	
(d) 40-Transportation Planning	10,932,000	
(e) Amount payable from the Aeronautics Account, State Transportation Fund (Item 2660-101-041)	−200,000	
(f) Amount payable from the Bicycle Lane Account, State Transportation Fund (Item 2660-101-045)	−750,000	

Item	Amount
(g) Amount payable from the Transportation Planning and Development Account, State Transportation Fund (Item 2660-101-046)	−40,997,000
(h) Amount payable from the Federal Trust Fund (Item 2660-101-890)	−276,984,000

Provisions:

1. For Program 20—Highway Transportation. Notwithstanding other provisions of law, up to 10 percent of any amounts scheduled within Item 2660-101-042 may be transferred to Item 2660-001-042 or Item 2660-301-042 only under emergency situations, for implementation of cost savings programs, or to maximize the use of federal funds. These transfers shall require the prior approval of the California Transportation Commission and the Department of Finance.
2. For Program 30—Mass Transportation. The amount allocated in the 1986–87 fiscal year by the California Transportation Commission for Article XIX, Transit Guideways shall be available for expenditure or reallocation by the California Transportation Commission during the 1986–87, 1987–88 and 1988–89 fiscal years.

2660-101-045—For local assistance, Department of Transportation, for transfer to Item 2660-101-042, payable from the Bicycle Lane Account, State Transportation Fund 750,000

2660-101-046—For local assistance, Department of Transportation, for transfer to Item 2660-101-042, payable from the Transportation Planning and Development Account, State Transportation Fund 40,997,000

Provisions:

1. For Program 30—Mass Transportation. The amount allocated in the 1986–87 fiscal year by the California Transportation Commission for Transit Capital Improvements shall be available for expenditure or reallocation by the California Transportation Commission during the 1986–87, 1987–88 and 1988–89 fiscal years.

2660-101-890—For local assistance, Department of Transportation, for transfer to Item 2660-101-042, payable from the Federal Trust Fund 276,984,000

Item Amount

Provisions:

1. For Program 20—Highway Transportation. Notwithstanding other provisions of law, up to 10 percent of the amounts scheduled within Item 2660-101-890, may be transferred to Item 2660-001-890 or Item 2660-301-890 only under emergency situations, for implementation of cost savings programs, or to maximize the use of federal funds. These transfers shall require the prior approval of the California Transportation Commission and the Department of Finance.
2. For Program 20—Highway Transportation. For purposes of the Streets and Highways Code, all expenditures from this item shall be deemed to be expenditures from the State Highway Account, State Transportation Fund.
3. For Program 20—Highway Transportation. Federal funds received may be from any federal source, and shall be deposited in the Federal Trust Fund. Any federal reimbursements shall be credited to the account from which the expenditures were originally made.

2660-301-042—For Capital Outlay, Department of Transportation, Program 20—Highway Transportation, payable from the State Highway Account, State Transportation Fund 301,180,000

Schedule:

(a)	20-Highway Transportation.....	1,480,626,000
	(1) 20.10-Rehabilitation	(69,024,000)
	(2) 20.20-Operational Improvements	(40,795,000)
	(3) 20.50-New Facilities.....	(191,361,000)
	(4) Federal Funds	(930,792,000)
	(5) Reimbursements	(248,654,000)
(b)	30-Mass Transportation	34,276,000
(c)	Reimbursements	−266,742,000
(e)	Amount payable from the Federal Trust Fund (Item 2660-301-890).....	−946,980,000

Provisions:

1. For Program 20—Highway Transportation. Notwithstanding other provisions of law, up to 10 percent of the amounts within Item 2660-301-042 may be transferred to Item 2660-101-042 or Item 2660-001-042 of this act only under emergency situations, for implementation of cost savings programs, or to maximize the use of federal

Item	Amount

funds. These transfers shall require the prior approval of the California Transportation Commission and the Department of Finance.

2. For Program 20—Highway Transportation. Funds appropriated by this item shall be available for allocation by the California Transportation Commission to those projects which have been included in a State Transportation Improvement Plan adopted by the commission.
3. For Program 20—Highway Transportation. The department shall identify all major highway capital outlay projects in the annual State Transportation Improvement Program (STIP), including all projects funded by other-than-state sources when the department will perform the project development. Locally funded and designed projects having no impact on the operation of a state highway facility do not have to be identified in the STIP.
4. For Program 20—Highway Transportation. For each capital outlay appropriation, the department shall determine for reversion the difference between the appropriation and the total amount needed for encumbered projects, encumbered right-of-way, and projects still to be scheduled for encumbrance against the appropriations. On or before October 1 of each year, the department shall submit to the Controller the estimated amounts to be reverted as of June 30 of the same year, from the two prior fiscal year appropriations.
5. When the existing Moorpark Maintenance Station in Ventura County is sold, proceeds from the sale may be used to construct a new maintenance station.
6. Of the $100,000,000 in State Highway Account funds included in this item specifically to replace federal funds in order to maintain existing commitments in the 1985 State Transportation Improvement Program, no funds may be expended until 30 days after notification to the Legislature by the Director of Transportation of the intent to expend the funds. Notification shall be made to the chairpersons of the Joint Legislative Budget, the Assembly Transportation, and the Senate Transportation committees.

Item Amount

7. Of the $100,000,000 of State Highway Account reserve funds proposed to be used by the department to backfill for unavailable federal funds, the department shall not expend any of these funds except to fund capital construction of highway projects on noninterstate routes that are programmed in the 1985 State Transportation Improvement Program in effect on June 1, 1986, for delivery in the budget year.
8. The department shall not expend any of the funds identified in Provision 7 which are not encumbered by June 30, 1987. The department shall revert those unencumbered funds to the reserve in the State Highway Account.
9. On or before July 15, 1987, the department shall provide the Legislature with a list of those projects funded with the funds identified in Provision 7.

2660-301-890—For Capital Outlay, Department of Transportation, for transfer to Item 2660-301-042, payable from the Federal Trust Fund 946,980,000

Provisions:

1. For Program 20—Highway Transportation. Notwithstanding other provisions of law, up to 10 percent of the amounts scheduled within Item 2660-301-890, may be transferred to Item 2660-101-890 or Item 2660-001-890 only under emergency situations, for implementation of cost savings programs, or to maximize the use of federal funds. These transfers shall require the prior approval of the California Transportation Commission and the Department of Finance.
2. For Program 20—Highway Transportation. Funds appropriated by this item shall be available for allocation by the California Transportation Commission to those projects which have been included in a State Transportation Improvement Plan adopted by the commission.
3. For Program 20—Highway Transportation. For purposes of the Streets and Highways Code, all expenditures from this item shall be deemed to be expenditures from the State Highway Account, State Transportation Fund.

Item Amount

4. For Program 20—Highway Transportation. Federal funds received may be from any federal source, and shall be deposited in the Federal Trust Fund. Any federal reimbursements shall be credited to the account from which the expenditures were originally made.
5. For Program 20—Highway Transportation. For each Capital Outlay appropriation, the department shall determine for reversion the difference between the appropriation and the total amount needed for encumbered projects, encumbered right-of-way and projects still to be scheduled for encumbrance against the appropriations. On or before October 1 of each year, the department shall submit to the State Controller the estimated amounts to be reverted as of June 30 of the same year, from the two prior fiscal year appropriations.
6. Of the $100,000,000 in State Highway Account funds included in this item specifically to replace federal funds in order to maintain existing commitments in the 1985 State Transportation Improvement Program, no funds may be expended until 30 days after notification to the Legislature by the Director of Transportation of the intent to expend the funds. Notification shall be made to the chairpersons of the Joint Legislative Budget, the Assembly Transportation, and the Senate Transportation committees.
7. Provisions 7 to 9, inclusive, of Item 2660-301-042 shall also be applicable to this item.

2660-311-042—For Capital Outlay, Department of Transportation, payable from the State Highway Account, State Transportation Fund 468,000

Schedule:

(1) 20.10.010.101—Redding—Office Modifications and handicapped access elevator—construction..... 208,000
(2) 20.10.010.199—Minor projects..... 260,000

Provisions:

1. For Program 20—Highway Transportation. Funds appropriated by this item shall be available for allocation by the California Transportation Commission, in lieu of the Public Works Board, pursuant to the provisions set forth in Sections 167 and 183 of the Streets and Highways Code.

Item Amount

2. For Program 20—Highway Transportation. The California Transportation Commission may allocate funds to minor projects pursuant to the provisions set forth in Section 183 of the Streets and Highways Code.
3. For Program 20—Highway Transportation. Savings on projects within this item may be used by the California Transportation Commission to augment other projects or the minor project amount within this item.
4. For Program 20—Highway Transportation. Up to 20 percent of this item may be transferred from Item 2660-301-042, of this act to enable the California Transportation Commission to allocate supplemental funds to projects in this item. The transfer may only be made with the approval of the commission. Also, the Department of Finance shall be notified of the transfer prior to the commission approving any transfer and allocating such funds to any project.

2660-490—Notwithstanding any other provisions of law, the unliquidated encumbrances of the capital outlay appropriations provided in the following citations, plus whatever additional amounts which are specified in this item, are continued for expenditure until June 30, 1987. The funds continued for expenditure from the following citations shall be available for allocation by the California Transportation Commission to any project whether or not included in an adopted State Transportation Improvement Program:

042—For Program 20—Highway Transportation, payable from the State Highway Account, State Transportation Fund

(1) Item 266-301-042, Budget Act of 1981—$400,000
(2) Item 2660-301-042, Budget Act of 1982—$1,000,000
(3) Item 2660-301-042, Budget Act of 1983—$2,000,000

890—For Program 20—Highway Transportation, payable from the Federal Trust Fund

(1) Item 266-301-890, Budget Act of 1981—$600,000
(2) Item 2660-301-890, Budget Act of 1982—$2,000,000
(3) Item 2660-301-890, Budget Act of 1983—$4,000,000

Item Amount

2660-491—Reappropriation—Department of Transportation for Program 20—Highway Transportation. Notwithstanding any other provisions of law, and in accordance with subdivision (c) of Section 16304 of the Governmemt Code, the unliquidated encumbrances of prior year local assistance appropriations from the State Highway Account, State Transportation Fund, are reappropriated without regard to fiscal year, to enable continuing liquidation of these encumbrances, and to allow project savings to be available for other local assistance highway projects previously funded.

2660-492—Reappropriation, Department of Transportation. Notwithstanding any other provisions of law, the unencumbered and unliquidated balances, or the portion thereof as specified in this item, on the effective date of this act, of the appropriations provided in the following citations, are reappropriated for the purposes provided for in such appropriations and shall be available for expenditure until June 30, 1987.

042—State Highway Account

(1) Item 2660-101-042, Budget Act of 1984, as reappropriated by Item 2660-490, Budget Act of 1985 24,700,000

(2) Item 2660-101-042, Budget Act of 1983 2,700,000

(3) Chapter 262, Statutes of 1982, as reappropriated by Item 2660-490, Budget Act of 1985 38,500,000

(4) Item 266-101-042, Budget Act of 1981

(5) Item 182, Budget Act of 1980

046—Transportation Planning and Development Account

(1) Item 2660-001-046, Budget Act of 1985 1,297,000

(2) Item 266-101-046, Budget Act of 1981

(3) Item 182.1, Budget Act of 1980

890—Federal Trust Fund

(1) Item 2660-001-890, Budget Act of 1985 173,000

Item		Amount
2660-495—Reversion, Department of Transportation. As of June 30, 1986, the unencumbered balance of the appropriations provided in the following citations, or the portions thereof as specified in this item, shall revert to the unappropriated surplus of the fund from which the appropriation was made:		
042—State Highway Account, State Transportation Fund:		
(1) Item 2660-301-042, Budget Act of 1985	18,700,000	
890—Federal Trust Fund		
(1) Item 2660-301-890, Budget Act of 1985	212,000,000	
2700-001-044—For support of Office of Traffic Safety, payable from the Motor Vehicle Account, State Transportation Fund		277,000
Schedule:		
(a) Support	7,604,000	
(c) Amount payable from the First Offender Program Evaluation Fund (Item 2700-001-464)	−359,000	
(d) Amount payable from the Federal Trust Fund (Item 2700-001-890)	−6,968,000	
2700-001-464—For support of Office of Traffic Safety, for transfer to Item 2700-001-044, payable from the First Offender Program Evaluation Fund		359,000
Provisions:		
1. The amount of any contract awarded by the Office of Traffic Safety for an evaluation of first offender programs shall be subject to the availability of funds in the First Offender Program Evaluation Fund in the 1986–87 fiscal year.		
2700-001-890—For support of Office of Traffic Safety, for transfer to Item 2700-001-044, payable from the Federal Trust Fund, not subject to the provisions of Section 28		6,968,000
2700-101-890—For local assistance, Office of Traffic Safety, payable from the Federal Trust Fund, not subject to the provisions of Section 28		4,663,000
2720-001-044—For support of Department of the California Highway Patrol, payable from the Motor Vehicle Account, State Transportation Fund		467,057,000
Schedule:		
(a) 10-Traffic Management	430,264,000	
(b) 20-Regulation and Inspection	39,677,000	
(c) 30-Vehicle Ownership Security	9,121,000	
(d) 40.01-Administration	94,558,000	

Item		Amount
(e) 40.02-Distributed Administration..	−94,909,000	
(f) Reimbursements	−8,827,000	
(g) Amount payable from the California Motorcyclist Safety Fund (Item 2720-001-840)	−1,355,000	
(h) Amount payable from the Federal Trust Fund (Item 2720-001-890) ..	−1,472,000	

Provisions:

1. None of the $1,000,000 provided as part of a gasoline reserve shall be expended unless and until authorized in writing by the Director of Finance.
2. The Department of the California Highway Patrol shall report to the Legislature on or before November 1, 1986, on the effectiveness of using cellular phones in the department's vehicles.

2720-001-840—For support of Department of the California Highway Patrol, for transfer to Item 2720-001-044, payable from the California Motorcyclist Safety Fund 1,355,000

2720-001-890—For support of Department of the California Highway Patrol, for transfer to Item 2720-001-044, payable from the Federal Trust Fund 1,472,000

2720-011-044—For payments of deficiencies in appropriations for the Department of the California Highway Patrol, Program 97 Unallocated, which may be authorized by the Director of Finance, with the consent of the Governor, payable from the Motor Vehicle Account, State Transportation Fund .. (2,000,000)

Provisions:

1. The Director of Finance shall report allocations from this item in the same manner as required for reporting allocations from Item 9840-001-494 of this act.

2720-021-044—For Department of the California Highway Patrol, for advance authority for the department to incur automotive equipment purchase obligations in an amount not to exceed $5,000,000 during the 1986–87 fiscal year, for delivery beginning in the 1987–88 fiscal year, payable from the Motor Vehicle Account, State Transportation Fund (5,000,000)

2720-301-044—For Capital Outlay, Department of California Highway Patrol, payable from the Motor Vehicle Account, State Transportation Fund 11,018,000

Schedule:

(1) 50.01.001-Minor Projects	931,000

Item		Amount
(2)	50.10.018-Golden Gate Division Communications Center and Division Office—Construction	5,971,000
(4)	50.10.041-Academy—New Skid Facility—Preliminary plans and working drawings	37,000
(5)	50.25.205-Yuba-Sutter—Purchase of leased facility—Acquisition	754,000
(6)	50.26.206-Stockton—Alterations—Preliminary plans, working drawings and construction	519,000
(7)	50.31.301-Oakland Facility, including communications building—construction	2,020,000
(8)	50.83.803-Morongo Basin—Purchase of Leased Facility—Acquisition	644,000
(9)	50.84.804-Needles— Construct New Facility—Preliminary plans and working drawings	122,000
(10)	50.90.900-Various Areas—Property Options and Appraisals	20,000

Provisions:

1. The funds appropriated in category (10) shall be used only in connection with projects which are to be included in the Budget submitted by the Governor for the 1987–88 fiscal year.
2. The Director of General Services, acting on behalf of the California Highway Patrol, may enter into a lease with a purchase option agreement for the purpose of providing adequate office and parking facilities for an area office in the vicinity of Livermore for 75 traffic officers. However, no lease may be entered into unless the agreement is approved by the State Public Works Board and unless the Chairman of the Joint Legislative Buget Committee, or his or her designee, has been provided a 20-day review of the proposed agreement. The proposed agreement is expected to exceed $2 million at the first purchase option date.

Item Amount

3. The Director of General Services, acting on behalf of the California Highway Patrol, may enter into a lease with a purchase option agreement for the purpose of providing adequate office and parking facilities for an area office in West Los Angeles for 100 traffic officers. However, no lease may be entered into unless the agreement is approved by the State Public Works Board and unless the Chairman of the Joint Legislative Budget Committee, or his or her designee, has been provided a 20-day review of the proposed agreement. The proposed agreement is expected to exceed $2 million at the first purchase option date.
4. On or before September 1, 1986, the California Highway Patrol shall submit a report to the Chairperson of the Joint Legislative Budget Committee which details why the budget estimate for the Golden Gate facility, as approved by the Public Works Board, did not include an adjustment for inflation.

2720-490—Reappropriation, Department of California Highway Patrol. Notwithstanding any other provision of law, on the effective date of this act, the unencumbered balance of the appropriation provided in the following citation is hereby appropriated for the purposes provided for in that appropriation, and shall be available for expenditure until June 30, 1987.

044—Motor Vehicle Account

(a) Item 2720-001-044(A), Budget Act of 1985, microwave equipment costs—not to exceed $345,000.

2720-495—Reversion, Department of the California Highway Patrol. Notwithstanding any other provision of law, as of June 30, 1986, the undisbursed balance in excess of any unliquidated encumbrances and any such balance on deposit in the Architecture Revolving Fund for the appropriations provided in the following citation shall revert to the unappropriated surplus of the fund from which the appropriation was made:

044—Motor Vehicle Account, State Transportation Fund

(1) Item 2720-301-044(6), Budget Act of 1984—Oakland—Construction

Item		Amount
2740-001-001—For support of Department of Motor Vehicles, for transfer to Item 2740-001-044		62,000
Provisions:		
1. The funds appropriated from this item are for anatomical donor designation program.		
2740-001-044—For support of Department of Motor Vehicles, payable from the Motor Vehicle Account, State Transportation Fund		233,229,000
Schedule:		
(a) Personal Services	241,857,000	
(b) Operating Expenses and Equipment	100,936,260	
(c) Reimbursements	−9,155,000	
(d) Amount payable from the General Fund (Item 2740-001-001)	−62,000	
(e) Amount payable from New Motor Vehicle Board Account (Item 2740-001-054)	−852,000	
(f) Amount payable from Motor Vehicle License Fee Account, Transportation Tax Fund (Item 2740-001-064)	−96,022,000	
(g) Amount payable from the State Bicycle License and Registration Fund (Item 2740-001-378)	−40,000	
(h) Amount payable from the Financial Responsibility Penalty Account (Item 2740-001-487)	−166,260	
(i) Amount payable from the Harbors and Watercraft Revolving Fund (Item 2740-001-516)	−3,267,000	
Provisions:		
1. Notwithstanding Section 42275 of the Vehicle Code, the Director of Finance shall not transfer funds from the State Highway Account to the Motor Vehicle Account, to eliminate a revenue deficiency in the Motor Vehicle Account, unless notification of the transfer is made in writing and given to the Chairperson of the Joint Legislative Budget Committee and the chairperson of the committee in each house which considers appropriations from the account not later than 30 days prior to the effective date of the recommended transfer.		

Item Amount

2. The Department shall report workload data for the Phone Mail Appointment System on a quarterly basis beginning October 15, 1986 to the Joint Legislative Budget Committee and the committees in each house which consider appropriations. Workload data will include the estimated number of phone calls received in field offices statewide and corresponding personnel years required for telephone service based on the average time per call.
3. The 100 personnel-years identified on the budget change proposal for the 1986–87 fiscal years for the Phone Mail Appointment System shall be limited-term and shall expire on June 30, 1987.
4. The Director, in preparing the 1987–88 budget request, shall require managers to compare, evaluate, and rank existing programs and activities (base expenditures) against new programs, and alternative ways of achieving objectives. In meeting this requirement, the Department shall participate in a management study to be performed by an outside contractor. The Director shall select, with the approval of the Directors of Finance and General Services, a qualified contractor, having knowledge and experience in (a) state organizations and operations, (b) state fiscal and budget practices, and (c) zero-based budgeting techniques, to perform the management study. The Request for Proposal shall be reviewed by the Chairs of the Joint Legislative Budget Committee, the fiscal committees, and the policy committees prior to its release. The cost of the contract shall not exceed $200,000. The Director shall include in the requirements of the contract that a report be provided to the Legislature from the contractor by December 15, 1986.
5. (a) The director may select a firm or firms to develop an automated vehicle lienholder verification pilot program to verify transactions between the department and automobile dealers and vehicle financing institutions in accordance with guidelines of the existing direct access program. The pilot program shall:
   (1) Evaluate the potential for improving

Item	Amount
overall quality of department services, insuring the protection of lienholder rights, and effecting cost savings and cost avoidance for the department.	
(2) Evaluate the potential cost and benefits of automated vehicle lienholder verification for department operations.	
(3) Identify any additional state revenues realized from such a program by ensuring the accuracy of fees and penalties charged by the department.	
(4) Ensure that security system measures are taken which limit inquiries to information on specific vehicles to persons who have a legitimate interest in vehicle registration.	
(b) At the completion of the pilot program period as established by the director, the department shall evaluate the results. The department shall report its findings no later than six months after its evaluation to the Legislature. The report shall include an evaluation of whether the department services have been improved, lienholder rights have been protected, and cost savings have been realized by the department, and shall detail what information was made available for direct public access, to whom such information was given, and what security measures were incorporated in the project.	
(c) The information provided by this program shall be limited to verification of vehicle ownership only.	
(d) All additional costs to the department shall be borne by the vendor.	
6. All contracts let by the department pursuant to the computer replacement project in category (b) shall be subject to the competitive bidding process as prescribed by law.	
2740-001-054—For support of Department of Motor Vehicles, for transfer to Item 2740-001-044, payable from the New Motor Vehicle Board Account, State Transportation Fund	852,000
2740-001-064—For support of Department of Motor Vehicles, for transfer to Item 2740-001-044, payable from the Motor Vehicle License Fee Account, Transportation Tax Fund	96,022,000

Item	Amount
Provisions:	
1. The funds appropriated from this item are as provided by Section 11003 of the Revenue and Taxation Code.	
2740-001-378—For support of Department of Motor Vehicles, for transfer to Item 2740-001-044, payable from the State Bicycle License and Registration Fund	40,000
Provisions:	
1. The funds appropriated from this item are as provided by Section 39001 of the Vehicle Code.	
2740-001-487—For support of Department of Motor Vehicles, for transfer to Item 2740-001-044, payable from the Financial Responsibility Penalty Account	166,260
2740-001-516—For support of Department of Motor Vehicles, for transfer to Item 2740-001-044, payable from the Harbors and Watercraft Revolving Fund	3,267,000
Provisions:	
1. The funds appropriated from this item are for undocumented vessel registration and fee collection.	
2740-011-044—For payment of deficiencies in appropriations for the Department of Motor Vehicles which may be authorized by the Director of Finance, with the consent of the Governor, payable from the Motor Vehicle Account, State Transportation Fund	(1,000,000)
Provisions:	
1. The Director of Finance shall report allocations from this appropriation in the same manner as required for reporting allocations from Item 9840-001-494 of this act.	
2740-301-044—For Capital Outlay, Department of Motor Vehicles, payable from the Motor Vehicle Account, State Transportation Fund	1,998,000
Schedule:	
(1) 71.01.000-Minor Projects 276,000	
(2) 71.01.010-Statewide–Property appraisals and purchase options 140,000	
(3) 71.03.011-Sacramento Headquarters—Computer Replacement Site Preparation—Preliminary plans 105,000	
(4) 71.04.010-Pomona—Office Building and Parking Facility—Working drawings 77,000	

Item Amount

(5) 71.06.010-Redding—Office Building and Parking Facility—Working drawings 97,000

(7) 71.08.010-Yuba City—Office Building and Parking Facility—Working drawings 90,000

(9) 71.12.010-Upland—Office Building and Parking Facility—Acquisition and preliminary plans 1,213,000

Provisions:

1. The funds appropriated in category (2) shall be used in connection with projects which are to be included in the budget submitted by the Governor for the 1987–88 fiscal year.
2. Project design for the proposed new facility in category (9) shall be administered through the Office of Project Development and Management in the Department of General Services rather than through the Office of the State Architect.
3. The Director of Motor Vehicles shall notify the Chairperson of the Joint Legislative Budget Committee 30 days prior to any augmentation for the Fullerton project included in category (1).

2740-490—Reappropriation, Department of Motor Vehicles. Notwithstanding any other provision of law, on the effective date of this act, the unencumbered balances of the appropriations provided in the following citations are reappropriated for the purposes specified in the appropriations and shall be available for expenditure until June 30, 1987:

044—Motor Vehicle Account, State Transportation Fund

(1) Item 2740-301-044 (4), Budget Act of 1985—71.06.010—Redding—Acquisition and preliminary plans for office building and parking facility.

(2) Item 2740-301-044 (5), Budget Act of 1985—71.07.010—San Gabriel—Acquisition and preliminary plans for office building and parking facility.

2780-001-683—For support of Stephen P. Teale Data Center, Business, Transportation and Housing Agency, payable from the Stephen P. Teale Data Center Revolving Fund 54,153,000

Item		Amount
Schedule:		
(a) Support	54,188,000	
(b) Reimbursements	−35,000	

Provisions:

1. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures for the data center in excess of the amount appropriated not sooner than 30 days after notification in writing of the necessity therefor is provided to the chairpersons of the fiscal committees and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the committee, or his or her designee, may in each instance determine.
2. $792,000 of the funds appropriated in this item shall be available for the purchase of equipment currently leased under master rental agreement numbers 6-83-70-07, 6-80-70-5, and 6-81-70-02. These funds shall not be expended for any other purpose.
3. $355,000 of the funds appropriated in this item shall be available to the Teale Data Center for purchase of microprocessors for the center's clients. These funds shall not be expended for any other purpose, including the purchase of microprocessors for the center's own use.

RESOURCES

3110-001-001—To the Resources Agency, Special Resources Programs, Program 30—Sea Grant Program, for grants to public and private higher education for use as a maximum of two-thirds of the local matching share for projects under the National Sea Grant College and Program Act of 1966. 500,000

Provisions:

1. The amount appropriated in this item is in lieu of any amount which would otherwise be received pursuant to Section 6217 of the Public Resources Code.

3110-101-001—For local assistance, Special Resources Program, Program 10—Tahoe Regional Planning Agency 778,000

Item		Amount
3110-101-140—For local assistance, Special Resources Program, Program 10—Tahoe Regional Planning Agency, payable from the Environmental License Plate Fund		260,000
Provisions:		
1. The Tahoe Regional Planning Agency may use funds appropriated by this item and approved for purposes of development of the IPES system to undertake the field reviews necessary to gather data regarding characteristics of undeveloped vacant parcels and to develop scores for such parcels. The Tahoe Regional Planning Agency may not, however, implement the IPES system to the extent that it differs from the approved Water Quality Management Plan for the Tahoe Basin until a Tahoe Regional Planning Agency revised Water Quality Management Plan is certified by the states and approved by the Environmental Protection Agency. Further, the Tahoe Regional Planning Agency's implementation of the IPES system must, in any event, remain consistent with the Environmental Threshold Carrying Capacities.		
3125-001-001—For support of California Tahoe Conservancy		765,000
Schedule:		
(a) 10-Tahoe Conservancy	1,147,000	
(b) Amount payable from the Lake Tahoe Acquisitions Fund (Item 3125-001-720)	−300,000	
(c) Amount payable from the Federal Trust Fund (Item 3125-001-890)	−82,000	
3125-001-720—For support of the California Tahoe Conservancy, for transfer to Item 3125-001-001, payable from the Lake Tahoe Acquisitions Fund		300,000
3125-001-890—For support of the California Tahoe Conservancy, for transfer to Item 3125-001-001, payable from the Federal Trust Fund		82,000
3125-101-890—For local assistance, California Tahoe Conservancy, Program 10, payable from the Federal Trust Fund		3,958,000
Provisions:		
1. Of the funds appropriated by this item, $350,000 shall be for a grant to Placer County, $540,000 shall be for two grants to El Dorado County, and $150,000 shall be for a grant to the City of South Lake Tahoe, all for soil erosion control projects.		

Item		Amount
2. The Conservancy shall develop and implement a monitoring program to determine for each approved soil erosion control project the effectiveness of the erosion control measures installed in reducing or minimizing the effects of soil erosion and discharge of sediment into the waters of the Lake Tahoe region.		
3. The Conservancy shall prepare, directly or by contract, the erosion control priority list as directed in the Supplemental Report of the Budget Act of 1986. Upon the request of the Conservancy, the Director of Finance may transfer up to $75,000 of the amount appropriated by this item for transfer to and in augmentation of Item 3125-001-890 to fund the preparation of the list.		
3125-301-720—For Capital Outlay, California Tahoe Conservancy, payable from the Lake Tahoe Acquisitions Fund		15,000,000
Schedule:		
(1) 50.20.001-Land acquisition pursuant to subdivision (a) of Section 66957 of the Government Code....	11,000,000	
(2) 50.20.002-Land acquisition pursuant to subdivisions (a), (b), and (c) of Section 66957 of the Government Code	4,000,000	
Provisions:		
1. The acquisition of real property or interests with funds appropriated by this item is not subject to the Property Acquisition Law when the value is less than $250,000 and, therefore, is not subject to Public Works Board approval.		
2. Expenditures of funds for grants to public agencies and grants to nonprofit organizations, as authorized by subdivision (a) of Section 66907.7 of the Government Code, are exempt from Public Works Board review.		
3125-301-890—For Capital Outlay, California Tahoe Conservancy, payable from the Federal Trust Fund		9,000,000
(1) 50.30.001—Land Acquisition and Site Improvements	9,000,000	

Item		Amount

Provisions:

1. The acquisition of real property or interests with funds appropriated by this item is not subject to the Property Acquisition Law when the value is less than $250,000 and, therefore, is not subject to Public Works Board approval.
2. The amount appropriated in this item is available for expenditure for capital outlay or for grants. Expenditures of funds for grants to public agencies and grants to nonprofit organizations are exempt from Public Works Board review.
3. Litigation settlements shall be the first priority for acquisitions under this item. Funds appropriated by this item may be expended for projects undertaken as part of litigation settlements only if the Attorney General has approved the terms of the litigation settlement.
4. Funds not needed for litigation settlements shall be available for other priority acquisitions and for; (a) minor soil stabilization, soil erosion control, and hazard removal projects; and (b) project planning for Conservancy acquisitions and major site improvements.

3300-001-021—For loans to the State Assistance Fund for Energy, California Business and Industrial Development Corporation to be disbursed by the State Controller pursuant to Sections 32820 through 32823 of the Financial Code, payable from the State Energy Loan Fund Account, General Fund 260,000

3340-001-001—For support of California Conservation Corps 36,628,000

Schedule:

(a)	10-Training and Work Program....	48,692,000
(b)	20.01-Administration.....	3,975,000
(c)	20.02-Distributed Administration..	−3,975,000
(d)	Reimbursements	−6,939,000
(e)	Amount payable from the Energy Resources Programs Account, General Fund (Item 3340-001-465)	−5,125,000

Provisions:

1. Of the funds appropriated for this item, $2,500,000 shall be for the California Conservation Corps to contract with existing nonresidential corps for the continuation of the programs without further proposal or bidding requirements, provided that the contractors meet the provi-

Item Amount

sions specified in their contracts that end June 30, 1986. The California Conservation Corps may add additional requirements to the contracts for the 1986–87 fiscal year. Funds not expended under this Provision may be used for other nonresidential programs at locations to be determined by the California Conservation Corps, subject to normal proposal and bidding requirements.

2. (a) The Director of General Services, acting on behalf of the California Conservation Corps, shall negotiate and sign a long-term lease for the corps' academy at Fricot City by September 1, 1986. The Director may enter into a lease with a purchase-option agreement, or a lease-purchase agreement for only the property which is currently leased by the corps, provided that 30 days prior to entering into any contractual agreement, the Director provides the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the legislative fiscal committees with a report specifying the terms of the agreement that has been negotiated. If a lease is not signed by September 1, 1986, the corps shall relocate the training academy to another facility and request funding through the deficiency process to cover relocation costs.

(b) In negotiating a lease with a purchase-option agreement, the director shall require that, prior to exercising the purchase option or entering into a lease-purchase agreement, the Office of Real Estate Services conduct an appraisal of the facility which takes into consideration the extent to which it complies with all applicable (1) fire and life safety codes, as determined by an onsite inspection and written report by the State Fire Marshal, (2) structural safety codes, as determined by an onsite inspection and written report by the Structural Safety Section of the office of the State Architect or by a licensed structural engineer, and (3) water and sewage requirements, as determined by the Central Valley Regional Water Quality Control Board.

Item	Amount
3340-001-465—For support of California Conservation Corps, for transfer to Item 3340-001-001, payable from the Energy Resources Programs Account, General Fund	5,125,000
3340-301-890—For Capital Outlay, California Conservation Corps, payable from the Federal Trust Fund Schedule:	91,000
(1) 30.10.999-Minor projects 91,000	
3340-490—Reappropriation, California Conservation Corps. Notwithstanding any other provisions of law, the unencumbered balances, on the effective date of this act, of the appropriations provided in the following citations are reappropriated for the purposes provided for in the appropriations, or as otherwise provided, and shall be available for expenditure until June 30, 1987.	
036—Special Account for Capital Outlay	
(1) Item 3340-301-036(1), Budget Act of 1985, Minor Projects, provided that an amount not to exceed $144,000 only is reappropriated.	
(2) Item 3340-301-036(2), Budget Act of 1984, as reappropriated by Item 3340-490, Budget Act of 1985, 30.30.010—Greenwood Solar Center, Working Drawings and Construct barracks and recreation center.	
3340-495—Reversion, California Conservation Corps. As of June 30, 1986, the unencumbered balance of the appropriations provided in Chapter 1710, Statutes of 1984 shall revert to the unappropriated surplus of the General Fund.	
3340-496—Reversion, California Conservation Corps. Notwithstanding any other provision of law, as of June 30, 1986, the unencumbered balance of the appropriation provided in the following citation shall revert to the unappropriated surplus of the fund from which the appropriation was made: 036—Special Account for Capital Outlay Item 3340-301-036(2), Budget Act of 1985, Fricot City Training Academy-acquisition.	
3360-001-031—For support of State Energy Resources Conservation and Development Commission, for transfer to Item 3360-001-465, payable from the State Agricultural and Forestry Residue Utilization Account, General Fund	1,500,000

Item			Amount
Provisions:			
1. Notwithstanding Section 16304.1 of the Government Code, the funds appropriated by this item shall be available for liquidation of encumbrances until June 30, 1990.			
3360-001-033—For support of State Energy Resources Conservation and Development Commission, for transfer to Item 3360-001-465, payable from the State Energy Conservation and Assistance Account, General Fund			5,890,000
Provisions:			
1. Notwithstanding Section 16304.1 of the Government Code, the funds appropriated by this item shall be available for liquidation of encumbrances until June 30, 1990.			
2. The amount of interest paid by institutions receiving loans pursuant to the Energy Conservation Assistance Act of 1979, Chapter 5.2 (commencing with Section 25410) of Division 15 of the Public Resources Code, shall be based upon the average rate of return of the Pooled Money Investment Account for the three months preceding the date the loans are advertised consistent with existing law.			
3360-001-044—For support of State Energy Resources Conservation and Development Commission, for transfer to Item 3360-001-465, payable from the Motor Vehicle Account, State Transportation Fund			90,000
3360-001-465—For support of State Energy Resources Conservation and Development Commission, payable from the Energy Resources Programs Account, General Fund			33,196,000
Schedule:			
(a) 100000-Personal Services		17,408,920	
(b) 300000-Operating Expenses and Equipment		19,466,080	
(c) Special Items of Expense		8,690,000	
(1) Schools and hospitals Loans	4,800,000		
(2) Streetlight conversion	1,000,000		
(3) Loan Administration	90,000		
(4) Solar energy and energy conservation bank	1,000,000		

Item		Amount
(5) Agricultural and Forestry Residue Utilization projects	1,500,000	
(6) Siting and Permit assistance	300,000	
(d) Amount payable from the State Agricultural and Forestry Residue Utilization Account, General Fund (Item 3360-001-031)		−1,500,000
(e) Amount payable from the State Energy Conservation Assistance Account, General Fund (Item 3360-001-033)		−5,890,000
(f) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 3360-001-044)		−90,000
(g) Amount payable from the Energy Technologies, Research, Development, and Demonstration Account (Item 3360-011-479)		−2,200,000
(h) Amount payable from the Federal Trust Fund (Item 3360-001-890)		−2,689,000

Provisions:

1. Of the amount appropriated by this item, $2,000,000 shall be available for the establishment of the Power Electronics Application Center and shall be available for encumbrance only if (a) the project is awarded to California and (b) notwithstanding Section 2 of this act, up to $2,000,000 is available for appropriation during the 1986–87, 1987–88, and 1988–89 fiscal years; of this amount, $1 of state funds is available in these fiscal years on a matching basis for every $3 of private sector contribution for the same project from nonstate sources, excluding federal funds.

   The State Energy Resources Conservation and Development Commission shall be responsible for administering the funds appropriated by this item, shall act as the State's voting member on the Power Electronics Application Center Advisory Council, and shall approve the use of state funds for any project. At least 75 percent of the funding shall be allocated for research, development, and demonstration projects.

   The State of California will receive a share of the royalties on patents, inventions, and other intellectual property and will retain a no-cost,

Item	Amount
irrevocable license to use the invention(s) developed as a result of projects cofunded from this appropriation, for governmental purposes. Prior to the expenditure of any funds in the 1987–88 and 1988–89 fiscal years, the Commission shall provide the Legislature with a progress report and a recommendation stating that further expenditure is warranted.	
3360-001-890—For support of State Energy Resources Conservation and Development Commission, for transfer to Item 3360-001-465, payable from the Federal Trust Fund	2,689,000
3360-011-465—For transfer by the State Controller from the Energy Resources Programs Account (465) to the Energy Technologies, Research, Development and Demonstration Account (479) for purposes of funding loans and grants to develop a variety of contract research projects.	(2,200,000)
3360-011-479—For support of State Energy Resources Conservation and Development Commission, for transfer to Item 3360-001-465 payable from the Energy Technologies, Research, Development and Demonstration Account for purposes of funding loans and grants to provide a variety of contract research projects	2,200,000
3360-101-034—For local assistance, State Energy Resources Conservation and Development Commission, pursuant to the provisions of Public Resources Code Section 3822, payable from the Geothermal Resources Development Account, General Fund	2,452,000
Provisions:	
1. Notwithstanding Section 16304.1 of the Government Code, the funds appropriated by this item shall be available for liquidation of encumbrances until June 30, 1990.	
3360-490—Reappropriation, State Energy Resources Conservation and Development Commission. Notwithstanding any other provisions of law, the unencumbered balance, on the effective date of this act, of the appropriation provided in the following citation is reappropriated for the purposes provided for in such appropriation, and shall be available for encumbrance until June 30, 1987.	
479—Energy Technologies, Research, Development and Demonstration Account:	
(1) Chapter 1595, Statutes of 1984.	

Item		Amount
3360-491—State Energy Resources Conservation and Development Commission. Notwithstanding any other provision of law, on the effective date of this act, the unliquidated balance of funds appropriated for a demonstration geothermal district heating project in the City of San Bernardino in Item 3360-101-034, Budget Act of 1982, shall be available for liquidation until June 30, 1988.		
3380-001-001—For support of California Waste Management Board		4,355,000
Schedule:		
(a) 100000-Personal Services	3,006,000	
(b) 300000-Operating Expenses and Equipment	1,378,000	
(c) Reimbursements	−29,000	
3400-001-001—For support of State Air Resources Board		5,990,000
Schedule:		
(a) 10-Air Pollution Control	52,341,000	
(b) 20-Environmental Affairs	1,229,000	
(c) Reimbursements	−1,400,000	
(d) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 3400-001-044)	−38,891,000	
(e) Amount payable from the Air Pollution Control Fund (Item 3400-001-115)	−2,379,000	
(f) Amount payable from the Environmental License Plate Fund (Item 3400-001-140)	−1,200,000	
(g) Amount payable from the Vehicle Inspection Fund (Item 3400-001-420)	−710,000	
(h) Amount payable from the Energy Resources Programs Account, General Fund (Item 3400-001-465)	−185,000	
(i) Amount payable from the Federal Trust Fund (Item 3400-001-890)	−2,815,000	
Provisions:		
1. The Secretary of Environmental Affairs shall seek full reimbursement from responsible parties for the expenses incurred by the Hazardous Substance Cleanup Arbitration Panel in arbitrating liability for cleanup of sites contaminated by toxic substances. The Secretary shall seek to obtain the reimbursements prior to completion of the arbitration proceedings. The State		

Item	Amount
Department of Health Services shall reimburse the Environmental Affairs Agency for all expenses of the Hazardous Substance Cleanup Arbitration Panel that the Secretary determines are not collectible, including: (a) costs not attributed to specific arbitrations; or (b) costs assessed against parties that cannot be located, have ceased to exist, or have become insolvent In the event that reimbursements obtained from responsible parties cover expenses that had been paid by the Hazardous Substances Account, the Secretary shall repay the account. 2. To the extent that the State Air Resources Board collects revenue from the grey market vehicle program, those funds shall be used to reimburse the Motor Vehicle Account in the State Transportation Fund for program costs originally paid from the account. 3. None of the funds appropriated or scheduled in this item shall be encumbered or expended for indoor air pollution activities until the State Air Resources Board has coordinated its proposed work activities with the State Department of Health Services. 4. Of the amount appropriated by category (b), $50,000 shall be available for expenditure only if Senate Bill No. 1875 of the 1985–86 Regular Session is chaptered.	
3400-001-044—For support of State Air Resources Board, for transfer to Item 3400-001-001, payable from the Motor Vehicle Account, State Transportation Fund	38,891,000
3400-001-115—For support of State Air Resources Board, for transfer to Item 3400-001-001, payable from the Air Pollution Control Fund	2,379,000
3400-001-140—For support of State Air Resources Board, for transfer to Item 3400-001-001, payable from the Environmental License Plate Fund	1,200,000
3400-001-420—For support of State Air Resources Board, for transfer to Item 3400-001-001, payable from the Vehicle Inspection Fund	710,000
3400-001-465—For support of State Air Resources Board, for transfer to Item 3400-001-001, payable from the Energy Resources Programs Account, General Fund	185,000

Item		Amount
3400-001-890—For support of State Air Resources Board, for transfer to Item 3400-001-001, payable from the Federal Trust Fund		2,815,000
3400-101-044—For local assistance, State Air Resources Board, for assistance to counties in the operation of local air pollution control districts, payable from the Motor Vehicle Account, State Transportation Fund		9,011,000
Schedule:		
(a) 500004-Subventions	7,011,000	
(b) 500005-Special Grants	2,000,000	

Provisions:

1. Of the funds appropriated by this item, $2,000,000 in category (b) shall be available for special grants, to be allocated by the State Air Resources Board in accordance with the following criteria:
   a. The State Air Resources Board shall develop guidelines to administer this special grants program, including criteria for awarding grants to local districts, in consultation with the local air pollution control districts. Activities fundable under this program shall include, but not be limited to:
      (i) Assessing waste-to-energy projects.
      (ii) Monitoring and controlling landfill emissions.
      (iii) Emissions inventory.
      (iv) Assessing toxic risks and planning to prevent accidental and routine emissions.
      (v) Small business assistance.
      (vi) Environmental impact report assessments.
      (vii) Other stationary and mobile source pollution control activities.
   b. $500,000 of the $2,000,000 available for this special grants program shall be set aside to fund grants submitted by rural districts. Amounts not awarded to rural districts shall be made available to other districts.
   c. $1,500,000 of the $2,000,000 available for this special grants program shall be available to all local districts. Project awards shall be granted on the basis of priorities as set forth in the guidelines developed by the State Air Resources Board, in consultation with local air pollution control districts.

Item		Amount
d. In order to qualify for a special grant, a district shall have a fee system in place which recovers the cost of administering the air pollution control program for major air pollution sources (that is, those sources that produce 100 tons per year or more) in the district.		
3460-001-001—For support of Colorado River Board of California		238,000
Schedule:		
(a) 100000-Personal Services	597,000	
(b) 300000-Operating Expenses and Equipment	156,000	
(c) Reimbursements	−505,000	
(d) Amount payable from the California Environmental License Plate Fund (Item 3460-001-140)	−10,000	
3460-001-140—For support of Colorado River Board, for transfer to Item 3460-001-001, payable from the California Environmental License Plate Fund		10,000
Provisions:		
1. The funds appropriated by this item are for the Salinity Control Forum.		
3480-001-001—For support of Department of Conservation		13,576,000
Schedule:		
(a) 10-Geologic Hazards and Mineral Resources Conservation	11,407,000	
(b) 20-Oil, Gas, and Geothermal Protection	7,913,000	
(c) 30-Special Services for Resources Protection	189,000	
(d) 40.01-Administration	3,079,000	
(e) 40.02-Distributed Administration	−3,079,000	
(f) Reimbursements	−515,000	
(g) Amount payable from the Surface Mining and Reclamation Account, General Fund (Item 3480-001-035)	−1,695,000	
(h) Amount payable from the State Highway Account, State Transportation Fund (Item 3480-001-042)	−12,000	
(i) Amount payable from the California Water Fund (Item 3480-001-144)	−12,000	
(j) Amount payable from the Strong Motion Instrumentation Program Fund (Item 3480-001-398)	−2,666,000	

Item		Amount
(k) Amount payable from the Farmlands Mapping Account, General Fund (Item 3480-001-472)	−450,000	
(l) Amount payable from the Federal Trust Fund (Item 3480-001-890)	−583,000	
3480-001-035—For support of Department of Conservation, for transfer to Item 3480-001-001, payable from the Surface Mining and Reclamation Account, General Fund		1,695,000
3480-001-042—For support of Department of Conservation, for transfer to Item 3480-001-001, payable from the State Highway Account, State Transportation Fund		12,000
Provisions.		
1. The funds appropriated by this item are for the state's share of the California Institute of Technology seismograph network.		
3480-001-144—For support of Department of Conservation, for transfer to Item 3480-001-001, payable from the California Water Fund		12,000
Provisions:		
1. The funds appropriated by this item are for the state's share of the California Institute of Technology seismograph network.		
3480-001-398—For support of Department of Conservation, for transfer to Item 3480-001-001, payable from the Strong Motion Instrumentation Program Fund		2,666,000
3480-001-472—For support of Department of Conservation, for transfer to Item 3480-001-001, payable from the Farmlands Mapping Account, General Fund		450,000
3480-001-890—For support of Department of Conservation, for transfer to Item 3480-001-001, payable from the Federal Trust Fund		583,000
3480-490—Reappropriation, Department of Conservation. Notwithstanding any other provision of law, on the effective date of this act, the unencumbered balance of the appropriation provided in the following citation is reappropriated for the purposes provided for in that appropriation and shall be available for expenditure until June 30, 1987.		
479—Farmland Mapping Account:		
(1) Item 3480-001-472, Budget Act of 1985.		
3540-001-001—For support of Department of Forestry Schedule:		196,226,000
(a) 100000-Personal services	197,114,000	
(b) 300000-Operating expenses and equipment	86,987,000	

Item		Amount
(c)	Reimbursements	−69,318,000
(d)	Amount payable from the General Fund (Item 3540-006-001)	−7,362,000
(f)	Amount payable from the California Environmental License Plate Fund (Item 3540-001-140)	−3,588,000
(g)	Amount payable from the Professional Forester Registration Fund (Item 3540-001-300)	−117,000
(h)	Amount payable from the Federal Trust Fund (Item 3540-001-890)	−3,370,000
(i)	Amount payable from the Forest Resources Improvement Fund (Item 3540-001-928)	−3,478,000
(j)	Amount payable from the Renewable Resources Investment Fund (Item 3540-001-940)	−619,000
(k)	Amount payable from the Timber Tax Fund (Item 3540-001-965)	−23,000

1. No funds appropriated to the Department of Forestry by this or any other act shall be used to provide assistance in planning or carrying out prescribed burning projects conducted on U.S. Forest Service or Bureau of Land Management lands unless those agencies agree, in writing, to indemnify the state for all suppression costs incurred in the event the fire escapes.
2. Notwithstanding any other provision of law the Director of Finance may authorize temporary or permanent redirection of funds from this item for purposes of emergency fire suppression and detection costs and related emergency revegetation costs.
3. The Department of Finance shall not approve a request by the Department of Forestry to expend beyond authorized levels or to expend at a rate, which in the opinion of the Director of Finance, will require a deficiency appropriation, unless the approval is made in writing and filed with the Chairpersons of the Joint Legislative Budget Committee and the fiscal committees of each house not later than 30 days prior to the effective date of the approval, except for approval of an emergency expenditure. All notifications shall include (1) the date a deficiency request was received by the Director of Finance, (2) the reason for the proposed defi-

Item	Amount
ciency, and (3) the approved amount. 4. The Department of Forestry shall not transfer funds between categories without the approval of the Department of Finance. The Department of Finance shall furnish the Chairpersons of the Joint Legislative Budget Committee and the fiscal committees in each house with a report on all authorizations regarding the transfer of funds between program categories by the Department of Forestry during the preceding quarter. 5. The $225,000 appropriated by this item for a spare helicopter shall not be encumbered or expended sooner than 30 days after notification in writing to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may determine.	
3540-001-140—For support of Department of Forestry, for transfer to Item 3540-001-001, payable from the California Environmental License Plate Fund	3,588,000
Provisions: 1. Of the amount appropriated by this item, $90,000 of the funds allocated for the Genetic Conservation Project shall be used only for the Bigcone Douglas Fir and the Port Orford Cedar.	
3540-001-300—For support of Department of Forestry, for transfer to Item 3540-001-001, payable from the Professional Forester Registration Fund	117,000
3540-001-890—For support of Department of Forestry, for transfer to Item 3540-001-001, payable from the Federal Trust Fund	3,370,000
3540-001-928—For support of Department of Forestry, for transfer to Item 3540-001-001, payable from the Forest Resources Improvement Fund	3,478,000
3540-001-940—For support of Department of Forestry, for transfer to Item 3540-001-001, payable from the Renewable Resources Investment Fund	619,000
3540-001-965—For support of Department of Forestry, for transfer to Item 3540-001-001, payable from the Timber Tax Fund	23,000
3540-006-001—For support of Department of Forestry, for transfer to Item 3540-001-001, payable from the General Fund	7,362,000

Item		Amount
Provisions: 1. These funds shall be available for emergency fire suppression and detection costs and related emergency revegetation costs and may be used for these purposes to reimburse the main support appropriation (Item 3540-001-001) only upon approval by the Director of Finance. 2. The Director of Forestry shall furnish quarterly reports on expenditures for emergency fire suppression activities to the Director of Finance, as well as to the chairperson of the committee of each house which considers appropriations and to the Chairperson of the Joint Legislative Budget Committee. 3. No funds appropriated to the Department of Forestry by this or any other act shall be used to provide assistance in planning or carrying out prescribed burning projects conducted on U.S. Forest Service or Bureau of Land Management lands unless those agencies agree, in writing, to indemnify the state for all suppression costs incurred in the event the fire escapes.		
3540-011-928—For transfer to the General Fund, in accordance with subdivision (a) of Section 4799.13 of the Public Resources Code, for the costs of operation of the state forests for the period July 1, 1986 through June 30, 1987, payable from the Forest Resources Improvement Fund		(1,533,000)
3540-301-001—For Capital Outlay, Department of Forestry, payable from the General Fund		500,000
Schedule:		
(1) 30.30.075-Lonoak Helitack Base—Preliminary plans, working drawings, and construction	500,000	
3540-301-036—For Capital Outlay, Department of Forestry, payable from the Special Account for Capital Outlay		1,432,000
Schedule:		
(1) 30.20.040-Redding Air Attack Base, Reconstruction—Construction	814,000	
(2) 30.80.000-Minor projects	434,000	
(3) 30.20.095-Emergency Command Center—Nevada-Yuba-Placer	184,000	

Item		Amount
Provisions:		
1. Notwithstanding any other provisions of law, the funds appropriated for categories (1) and (3) of this item may be used for the Department of Forestry's portion of a joint federal-state project to be designed and constructed through the services of the U.S. Forest Service; however, an agreement for these services shall be entered into between the federal agency and the Department of Forestry prior to the allocation of construction funds; and this project shall be subject to Section 15790.5 of the Government Code, and any augmentation of these funds shall be subject to existing law.		
3560-001-001—For support of State Lands Commission		14,821,000
Schedule:		
(a) 10-Extractive Development	9,098,000	
(b) 20-Land Management and Conservation	6,610,000	
(c) 30.01-Administration	2,805,000	
(d) 30.02-Distributed Administration	−2,805,000	
(e) Reimbursements	−887,000	
Provisions:		
1. Notwithstanding the provisions of Section 4(d) Chapter 138, Statutes of 1964, 1st Extraordinary Session, all commission costs for administering Long Beach Tidelands, exclusive of any Attorney General charges, shall be included in revenues deposited into the General Fund pursuant to Public Resources Code Section 6217(a)(2).		
2. All costs incurred to manage State School Lands shall be deducted from the revenues produced by those lands and deposited into the General Fund pursuant to Chapter 1213 of the Statutes of 1983.		
3. Thirty days prior to the encumbrance of any funds appropriated by this item for seismic surveys between Point Arguello and Point Sal, the Department of Finance shall report to the Joint Legislative Budget Committee the findings of the commission from previous studies in this area. The report shall describe (a) estimated state oil and gas resources in the area, (b) the potential for drainage of those resources by oil and gas developments on adjacent lands, (c) specific information needed by the commission to protect the state's interests, and (d) the spe-		

Item		Amount
cific work plan proposed by the commission, including a description of how such work will provide the necessary information.		
3580-001-001—For Support of Seismic Safety Commission		1,033,000
Schedule:		
(a) 10.10-Seismic Safety	658,000	
(b) 10.20-Bay Area Earthquake Study	750,000	
(c) Amount payable from Federal Trust Fund (Item 3580-001-890) ..	−375,000	
Provisions:		
1. Notwithstanding any other provisions of law, the General Fund appropriation in category (b) shall be available for expenditure regardless of the availability of federal matching funds. To the maximum extent possible, the Seismic Safety Commission shall seek federal matching funds for the Bay Area Earthquake Study.		
3580-001-890—For support of Seismic Safety Commission, for transfer to Item 3580-001-001, payable from the Federal Trust Fund		375,000
3600-001-001—For support of Department of Fish and Game, for transfer to Item 3600-001-200		9,981,000
Provisions:		
1. None of the funds appropriated by this item for the removal of sediment in Upper Newport Bay shall be expended until the Director of Fish and Game determines that local sources have committed from nonstate funds 25 percent of the total project costs.		
2. It is the intent of the Legislature that local entities (a) implement projects committed to in the Agreement between the State of California, Department of Fish and Game; City of Newport Beach; City of Irvine; County of Orange; the Orange County Harbors, Beaches and Parks District; and The Irvine Company for restoration and construction and maintenance of Sediment Control Facilities in Upper Newport Bay, and (b) reduce the sediment inflow into Upper Newport Bay as specified in the Newport Bay Watershed-San Diego Creek Comprehensive Stormwater Sediment Control Plan and the Cooperative Agreement, San Diego Creek/Upper Newport Bay Watershed. It is also the intent of the Legislature that the Department of Fish and Game be responsible for confirming the compli-		

Item	Amount
ance of local entities to agreements signed between the department and other members of the Sedimentation Control Executive Committee and the reduction of sediment inflow pursuant to the comprehensive plan. The department shall determine local compliance with these requirements before requesting state funds in the future for maintenance of Upper Newport Bay.	
4. Of the amount appropriated by this item, $250,000 shall be available for a loan to Orange County in order to provide one-half the local match required to complete feasibility studies for the "Sunset Harbor/Bolsa Chica Wetlands Restoration Project" and shall be repaid within two years with interest calculated at the rate received by funds in the Pooled Money Investment Account.	
3600-001-140—For support of Department of Fish and Game, for transfer to Item 3600-001-200, payable from the California Environmental License Plate Fund	10,897,000
Provisions:	
3. None of the funds appropriated by the item for the use of Sonoma County to contract for a study of the temporary dams placed on Austin Creek shall be expended until the Director of Fish and Game determines that local sources have committed from nonstate funds 25 percent of the total project costs.	
3600-001-200—For support of Department of Fish and Game, payable from the Fish and Game Preservation Fund	60,715,000
Schedule:	
(a) 100000-Personal Services 58,692,000	
(b) 300000-Operating Expenses and Equipment 45,426,000	
(c) Reimbursements ..... −7,513,000	
(d) Amount payable from the General Fund (Item 3600-001-001) ..... −9,981,000	
(f) Amount payable from the California Environmental License Plate Fund (Item 3600-001-140) ..... −10,897,000	
(g) Amount payable from the Federal Trust Fund (Item 3600-001-890) .. −14,145,000	
(h) Amount payable from the Renewable Resources Investment Fund (Item 3600-001-940) ..... −867,000	

Item	Amount

Provisions:

1. The amount appropriated by this item may be increased with the approval of and under the conditions set by the Department of Finance to meet current obligations proposed to be funded by categories (c) and (g) of this item. This increased authorization may not be used to expand services or create new obligations.

   Reimbursements received under categories (c) and (g) of this item shall be used in repayment of any funds utilized to meet current obligations pursuant to this provision.
2. Notwithstanding Sections 711 and 712 of the Fish and Game Code, funds appropriated by this item shall be utilized for support of the Sea Otter Research Project because a benefit of this study will be information applicable to the protection of the abalone and clam fisheries.
4. The Department of Fish and Game shall provide quarterly reports to the chairperson of the committee of each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee on the actions it has taken to (a) implement a cost accounting system and (b) address the problems identified in the report entitled "A Review of the Department of Fish and Game Cost Allocation Methodology."
5. None of the $3,390,000 provided in this item to purchase fish food shall be spent for any purpose other than to purchase fish food.
6. Notwithstanding Provision 1 of Item 3600-011-001 of the Budget Act of 1985, the department shall repay by June 30, 1991, the $2,000,000 loan from the General Fund to the Fish and Game Preservation Fund provided in the 1985 Budget Act. The loan shall be repaid in 48 monthly installments, with interest calculated at the rate received by funds in the Pooled Money Investment Account.

3600-001-890—For support of Department of Fish and Game, for transfer to Item 3600-001-200, payable from the Federal Trust Fund 14,145,000

3600-001-940—For support of Department of Fish and Game, for transfer to Item 3600-001-200, payable from the Renewable Resources Investment Fund 867,000

Item		Amount
3600-301-200—For Capital Outlay, Department of Fish and Game, payable from the Fish and Game Preservation Fund		40,000
Schedule:		
(1) 90.70.002-Loch Lamond Vernal Pool—acquisition	40,000	
3600-301-890—For Capital Outlay, Department of Fish and Game, payable from the Federal Trust Fund		30,000
Schedule:		
(1) 90.05.300-Minor projects	30,000	
3600-490—Reappropriation, Department of Fish and Game Notwithstanding any other provisions of law, the unencumbered balance, on the effective date of this act, of the appropriation provided in the following citation, is reappropriated for the purpose provided for in the appropriation, and shall be available for expenditure until June 30, 1987		
200—Fish and Game Preservation Fund Item 3600-301-200(1), Budget Act of 1985, Minor projects, Headquarters Alteration, provided that an amount not to exceed $51,000 only is reappropriated.		
3640-001-447—For support of Wildlife Conservation Board, payable from the Wildlife Restoration Fund		568,000
Schedule:		
(a) 100000-Personal Services	448,000	
(b) 300000-Operating Expenses and Equipment	120,000	
Provisions:		
1. In the event that Federal Land and Water Conservation Funds are received in reimbursement for administrative costs associated with bond projects, an amount equal thereto from the Wildlife Restoration Fund shall not be utilized for support of the Wildlife Conservation Board.		
3640-301-140—For Capital Outlay, Wildlife Conservation Board, payable from the California Environmental License Plate Fund		500,000
Schedule:		
(1) 80.10.100-Land acquisition and development—ecological reserves	500,000	
Provisions:		
1. The funds in category (1) are provided in accordance with the provisions of the Wildlife Conservation Law of 1947 and, therefore, shall not be subject to Public Works Board review.		

Item		Amount
3640-301-447—For Capital Outlay, Wildlife Conservation Board, payable from the Wildlife Restoration Fund, in lieu of the appropriation made by the Wildlife Conservation Law of 1947		1,775,000
Schedule:		
(1) 80.10.010-Minor projects	750,000	
(2) 80.10.020-Project planning	25,000	
(3) 80.10.030-Land acquisitions	1,150,000	
(4) Reimbursements	−150,000	

Provisions:

1. The funds in this appropriation are provided in accordance with the provisions of the Wildlife Conservation Law of 1947 and therefore, shall not be subject to Public Works Board review.
2. If the Department of Finance receives a request from the Wildlife Conservation Board to augment the amount approved in categories (2) to (3), inclusive within the schedule of this item by transfer from one or more of those categories within such schedule, no such transfer shall be approved any sooner than 30 days after the Department of Finance notifies the Chairperson of the Joint Legislative Budget Committee, or his or her designee, of the department's intent to approve the transfer, or not sooner than such lesser time as may be specified by the Chairperson of the Joint Legislative Budget Committee, or his or her designee.

FISH AND WILDLIFE HABITAT ENHANCEMENT PROGRAM

3640-301-748—For Capital Outlay, Wildlife Conservation Board payable from the Fish and Wildlife Habitat Enhancement Fund		12,265,000
Schedule:		
(1) 80.10.110-Acquisition, enhancement, or development pursuant to Fish and Game Code Section 2620(a)(1)	10,000,000	
(2) 80.10.130-Acquisition, enhancement, or development pursuant to Fish and Game Code Section 2620(b)	1,000,000	
(3) 80.10.140-Acquisition, enhancement, or development pursuant to Fish and Game Code Section 2620(d)	1,000,000	

Item		Amount
(4) 80.10.150-Project Planning pursuant to Fish and Game Code Section 2621	100,000	
(5) 80.10.111—Program to be administered by the Suisun Marsh Resource Conservation District for wetland habitat restoration or enhancement in accordance with the provisions of the Wildlife Conservation Law of 1947	165,000	
Provisions:		
1. The funds in categories (1), (2), (3), and (5) are provided pursuant to the Wildlife Conservation Law of 1947 and, therefore, shall not be subject to Public Works Board Review.		
2. The funds in category (1) are for expenditure on lands located outside the coastal zone.		
3. The funds in category (4) are available to support categories (1) and (3) for the 1986–87 fiscal year and not intended, nor to be construed, to establish any additional positions.		
3640-301-890—For Capital Outlay, Wildlife Conservation Board, payable from the Federal Trust Fund		550,000
Schedule:		
(1) 80.10.900—Motor Boat Access Enhancement Project	550,000	
3680-001-001—For support of Department of Boating and Waterways, for transfer to Item 3680-001-516		615,000
3680-001-516—For support of Department of Boating and Waterways, payable from the Harbors and Watercraft Revolving Fund		3,704,000
Schedule:		
(a) 100000-Personal Services	2,634,000	
(b) 300000-Operating Expenses and Equipment	1,680,000	
(c) Feasibility Determinations	20,000	
(d) Boating Safety Financial Assistance	150,000	
(e) Reimbursements	−15,000	
(f) Amount payable from the General Fund (Item 3680-001-001)	−615,000	
(g) Amount payable from the Federal Trust Fund (Item 3680-001-890)	−150,000	
Provisions:		
1. The funds appropriated in category (d) for Boating Safety Financial Assistance shall be expended in accordance with federal law.		

Item			Amount
3680-001-890—For support of Department of Boating and Waterways, for transfer to Item 3680-001-516, payable from the Federal Trust Fund			150,000
3680-101-516—For local assistance, Department of Boating and Waterways, payable from the Harbors and Watercraft Revolving Fund			27,629,000
Schedule:			
(a) Launching facility grants		4,229,000	
(1) Benicia Ramp, Solano County	100,000		
(2) Dark Day, Bullards Bar Reservoir, Yuba County	25,000		
(3) Dos Reis, San Joaquin County	50,000		
(4) Floating Restrooms, Statewide	150,000		
(5) Lake Hodges, San Diego County	715,000		
(6) Martinez Marina, Contra Costa County	280,000		
(7) Lake McClure, Merced County	298,000		
(8) Lake McSwain, Merced County	215,000		
(9) Lake Miramar, San Diego County	265,000		
(10) Park Moabi, San Bernardino County	125,000		
(11) Parkside Aquatic, San Mateo County	350,000		
(12) Lake Pillsbury, Lake County	356,000		
(13) Ramp Repairs & Modifications, Statewide	100,000		
(14) San Pablo Reservoir, Contra Costa County	500,000		
(15) South Shores, San Diego County	700,000		
(b) Loans: Local Government		19,200,000	
(1) Antioch Marina, Contra Costa County	500,000		

Item		Amount
	(2) Moss Landing, Monterey County	250,000
	(3) Oceanside Harbor, San Diego County	4,000,000
	(4) Pittsburg Marina, Contra Costa County	4,750,000
	(5) Planning Loans, Statewide	100,000
	(6) Port San Luis Harbor, San Luis Obispo County	1,800,000
	(7) Sacramento Boat Harbor, Sacramento County	3,000,000
	(8) Seabridge Marina, Orange County	1,600,000
	(9) South Beach, San Francisco County	400,000
	(10) Vallejo Marina, Solano County	2,800,000
(c)	Boating safety and enforcement	3,200,000
(d)	Boating safety financial assistance	750,000
(e)	Recreational Marina Loans—Private	1,000,000
(f)	Amount payable from the Federal Trust Fund (Item 3680-101-890)	−750,000

Provisions:

1. The funds appropriated in category (a) are for grants to cities, counties, districts, or other public agencies pursuant to Sections 72.5 and 72.7 of the Harbors and Navigation Code to be used for construction and development of small craft launching facilities and floating restrooms.
2. The funds appropriated in category (b) are for loans to be made to cities, counties, or districts pursuant to Sections 70.2 and 71.4 of the Harbors and Navigation Code, Department of Boating and Waterways.
3. No funds appropriated in category (b) shall be expended unless and until all project permits from the appropriate state and federal agencies are received, except for those funds that are necessary to obtain project permits.

Item Amount

4. No funds appropriated in categories (a) and (b) shall be encumbered or expended unless and until an environmental impact report is completed and approved for the project.
5. The funds appropriated in category (c) are for boating safety and enforcement programs pursuant to Section 663.7 of the Harbors and Navigation Code.
6. The funds appropriated in category (d) for Boating Safety Financial Assistance shall be expended in accordance with federal law.
7. The funds appropriated in category (e) are for private recreational marinas pursuant to Section 76.3 of the Harbors and Navigation Code.

3680-101-890—For local assistance, Department of Boating and Waterways, for transfer to Item 3680-101-516, payable from the Federal Trust Fund 750,000

Provisions:

1. Of the amount appropriated by this item, $750,000 shall be for grants to local governments for boating safety and law enforcement, 15 percent of which shall be allocated according to the department's discretion, and 85 percent of which shall be allocated by the department in accordance with the following priorities:

   First—To local governments eligible for state aid because they are spending all their local boating revenue on boating enforcement and safety, but are not receiving sufficient state funds to meet their calculated need as defined in Section 663.7 of the Harbors and Navigation Code.

   Second—To local governments that are not spending all local boating revenue on boating enforcement and safety, and whose boating revenue does not equal their calculated need. Local assistance shall not exceed the difference between the calculated need and local boating revenue.

   Third—To local governments whose boating revenue exceeds their need, but who are not spending sufficient local revenue to meet their calculated need.

3680-111-890—Local Assistance, Department of Boating and Waterways, for beach erosion control projects, payable from the Federal Trust Fund..... 3,670,000

Item		Amount
Schedule:		
(a) Alameda Beach, Alameda County	1,645,000	
(b) Pacifica, Beach Boulevard, San Mateo County	2,025,000	
Provisions:		
1. None of the funds appropriated in categories (a) and (b) of this item shall be encumbered by the department unless and until the department receives a legally binding commitment from a local public agency to provide at least 25 percent of the costs of the total project costs.		
3680-301-516—For Capital Outlay, Department of Boating and Waterways, payable from the Harbors and Watercraft Revolving Fund		735,000
Schedule:		
(2) 50.99.010-Project Planning	20,000	
(3) 50.99.020-Minor projects	715,000	
3720-001-001—For support of California Coastal Commission		6,406,000
Schedule:		
(a) 10-Coastal Management Program	8,537,000	
(b) 20-Coastal Energy Program	390,000	
(c) 30.01-Administration	943,000	
(d) 30.02-Distributed Administration	−903,000	
(e) Reimbursements	−40,000	
(f) Amount payable from the California Environmental License Plate Fund (Item 3720-001-140)	−348,000	
(g) Amount payable from the Federal Trust Fund (Item 3720-001-890)	−2,173,000	
Provisions:		
1. The commission shall, to the extent legally possible, utilize categorical exclusions, permit exemptions, and administrative permits authorized by Division 20 (commencing with Section 30000) of the Public Resources Code to reduce the commission's regulatory workload and to achieve overall cost savings to the state.		
2. The commission shall, to the extent resources are available, undertake efforts to expedite the transfer to local governments of coastal development permit authority pursuant to Division 20 (commencing with Section 30000) of the Public Resources Code by providing training and any other assistance it deems appropriate to assist local governments in the assumption of this coastal permit responsibility.		

Item		Amount
3720-001-140—For support of California Coastal Commission, for transfer to Item 3720-001-001, payable from the California Environmental License Plate Fund		348,000
3720-001-890—For support of California Coastal Commission, for transfer to Item 3720-001-001, payable from the Federal Trust Fund		2,173,000
3720-101-001—For local assistance, California Coastal Commission		280,000
Schedule:		
(a) 10-Coastal Management Program	671,000	
(b) Amount payable from the Federal Trust Fund (Item 3720-101-890) ..	−391,000	
Provisions:		
1. The funds appropriated are for coastal planning assistance as provided in Section 16 of Chapter 1330 of the Statutes of 1976, as amended by Section 28 of Chapter 1331 of the Statutes of 1976		
3720-101-890—For local assistance, California Coastal Commission, for transfer to Item 3720-101-001, payable from the Federal Trust Fund		391,000
3760-001-565—For support of State Coastal Conservancy, for transfer to Item 3260-001-730, payable from the State Coastal Conservancy Fund of 1976		205,000

STATE COASTAL CONSERVANCY

3760-001-730—For support of State Coastal Conservancy, payable from the State Coastal Conservancy Fund of 1984		2,661,000
Schedule:		
(a) 100000-Personal Services	1,625,000	
(b) 300000-Operating Expenses and Equipment	1,136,000	
(c) 454632-Preproject feasibility planning	755,000	
(d) Reimbursements	−400,000	
(e) Amount payable from the Fish and Wildlife Habitat Enhancement Fund (Item 3760-001-748) ..	−250,000	
(f) Amount payable from the Coastal Conservancy Fund of 1976 (Item 3760-001-565)	−205,000	
Provision:		

Item		Amount
1. Notwithstanding any other provision of law, staff costs related to preparing project proposals for potential funding from California Urban Waterfront Area Restoration Financing Authority (CUWARFA) revenue bonds shall be paid from the State Coastal Conservancy Fund of 1984. Upon project approval by CUWARFA, the full staff costs incurred in preparing the project proposals shall be considered a loan, to be repaid by CUWARFA, with interest equal to the rate earned in the Pooled Money Investment Account. CUWARFA shall repay the actual staff costs with proceeds from the sale of the revenue bonds.		

FISH AND WILDLIFE HABITAT ENHANCEMENT PROGRAM

3760-001-748—For support of State Coastal Conservancy, for transfer to Item 3760-001-730, payable from the Fish and Wildlife Habitat Enhancement Fund		250,000
3760-301-565—For capital outlay, State Coastal Conservancy, payable from the State Coastal Conservancy Fund		70,000
Schedule:		
(1) 80.76.030-Violation Remediation Projects—Minor capital outlay	70,000	
3760-301-730—For capital outlay, State Coastal Conservancy, payable from the State Coastal Conservancy Fund of 1984		23,850,000
Schedule:		
(1) 80.18.010-Agricultural Land Preservation	1,500,000	
(2) 80.18.020-Coastal Restoration	4,500,000	
(3) 80.18.030-Public Access	4,500,000	
(4) 80.18.050-Site Reservation	2,000,000	
(5) 80.18.060-Urban Waterfront Restoration	4,500,000	
(6) 80.20.040-Projects from Office of Ocean and Coastal Resource Management	500,000	
(7) 80.18.021-Circle X Ranch	5,850,000	
(8) 80.18.022-Malibu Canyon	600,000	
(9) 80.18.023-Ballona Creek Living Museum	400,000	
(10) Reimbursements	−500,000	

Item Amount

Provisions:

1. The Conservancy shall not enter into a grant contract with a nonprofit organization or local government for property acquisition which provides for either of the following:
   a. A reversionary interest to the state, unless the grant contract specifies that the property shall not revert to the state without review and approval by the Conservancy and the State Public Works Board.
   b. A state leasehold interest in property acquired by a nonstate public agency with Conservancy grant funds, unless the lease terms in the grant contract are approved by the Director of General Services. Except to the extent above, the expenditures of funds for grants to public agencies and nonprofit organizations shall be exempt from State Public Works Board review.
2. The amount appropriated in this item is available for expenditure for Capital Outlay or local assistance.
3. Of the amount appropriated in category (7), notwithstanding any other provision of law, $5,850,000 shall be granted to the joint powers authority established between the Santa Monica Mountains Conservancy and the Conejo Recreation and Park District for the acquisition of the Circle X Ranch. It is the intent of the Legislature that the property shall be operated on a self-sustaining basis for public and group camping and related recreation uses. Nothing in this provision shall be construed as removing the discretion of the State Coastal Conservancy to determine the consistency of this grant with Division 21 (commencing with Section 31000) of the Public Resources Code.
4. It is the intent of the Legislature that the State Coastal Conservancy Fund of 1984 be repaid for expenditures related to the Circle X Ranch within three years of this appropriation from any available funding source, but with first priority for repayment being funding available to the Santa Monica Mountains Conservancy, pursuant to Provisions 5 and 6 of this item. Prior to expenditure of funds for the Circle X Ranch, the State Coastal Conservancy shall enter into an

Item	Amount

agreement with the Santa Monica Mountains Conservancy to ensure repayment of these funds within three years.

5. Notwithstanding any other provision of law, the State Coastal Conservancy may be reimbursed for a portion of the acquisition price of the Circle X Ranch property by the National Park Service, or from funds appropriated to the Santa Monica Mountains Conservancy or reimbursements received by the Santa Monica Mountains Conservancy. Unless the State Coastal Conservancy has received a full reimbursement prior to that time, it shall be reimbursed from any funds received by the State of California for Zuma Canyon pursuant to Item 3810-302-036, Budget Act of 1985 (as added by Section 5 of Chapter 1048 of the Statutes of 1985), provided that (a) only those funds received by the Santa Monica Mountains Conservancy to reimburse Item 3810-301-722 may be used, and (2) the total amount of reimbursement made to the State Coastal Conservancy shall not exceed the actual amount granted to the joint powers authority for acquisition of the property.
6. Any future Bond Act funds received or available to the Santa Monica Mountains Conservancy for three years from the date of this appropriation are hereby appropriated to the Santa Monica Mountains Conservancy to be transferred to the State Coastal Conservancy as partial reimbursement for expenditures by the State Coastal Conservancy on the Circle X Ranch project. Upon their availability, the Santa Monica Mountains Conservancy shall immediately transfer these funds to the State Coastal Conservancy Fund of 1984 until the State Coastal Conservancy has been fully reimbursed for its expenditures on the Circle X Ranch.
7. Of the amount appropriated in category (7), $100,000 shall be available to the grantee provided for in Provision 1 for appropriate administrative costs, project planning and design, and minimum improvements necessary to convert the facility to public use.

Item Amount

8. As a condition of any grant funds for the Circle X Ranch, notwithstanding Provision 1(a) of this item, the State Coastal Conservancy shall retain a reversionary interest in the property providing for its transfer to the State Coastal Conservancy if funding is not available to repay for its expenditures for the Circle X Ranch.
9. It is the intent of the Legislature that the State Coastal Conservancy Fund of 1984 be repaid for expenditures related to the Malibu Canyon within three years of this appropriation from any available funding source, but with first priority for repayment being funding available to the State Department of Parks and Recreation, including, but not limited to, any future Bond Act Funds.
10. The State Coastal Conservancy shall give priority to the Solstice Canyon (Roberts Ranch), Phase II, for funding prior to the December 31, 1986, expiration of the current option agreement.

3760-301-748—For Capital Outlay, State Coastal Conservancy, payable from the Fish and Wildlife Habitat Enhancement Fund 9,000,000

Schedule:

(1) 80.19.040-Resource Enhancement 8,000,000
(2) 80.19.050-Site Reservation 1,000,000

Provisions:

1. The Conservancy shall not enter into a grant contract with a nonprofit organization or local government for property acquisition which provides for either of the following:
   a. A reversionary interest to the state, unless the grant contract specifies that the property shall not revert to the state without review and approval by the Conservancy and the State Public Works Board.
   b. A state leasehold interest in property acquired by a nonstate public agency with Conservancy grant funds, unless the lease terms in the grant contract are approved by the Director of General Services. Except to the extent above, the expenditures of funds for grants to public agencies and nonprofit organizations shall be exempt from State Public Works Board review.

Item		Amount
2. The amount appropriated in this item is available for expenditure for capital outlay or local assistance.		
3760-490—Reappropriation State Coastal Conservancy. Notwithstanding any other provisions of law, the unencumbered balance, on the effective date of this act, of the appropriation provided in the following citation is reappropriated for the purpose provided for in the appropriation and shall be available for expenditure until June 30, 1987.		
721—Parklands Fund of 1980		
(1) Item 376-301-721, Budget Act of 1981, and reappropriated in Item 3760-490, Budget Act of 1985. For capital outlay, an amount not to exceed $500,000 is available to implement a public access program at the Hollister Ranch in Santa Barbara County pursuant to Sections 30610.3 and 30610.8 of the Public Resources Code.		
3760-495—Reversion, State Coastal Conservancy. Notwithstanding any other provision of law, as of June 30, 1986, the unencumbered balance of the appropriation provided in the following citation, after transfer of funds necessary to acquire the Muzzi-Silvestri property, shall revert to the unappropriated surplus of the fund from which the appropriation was made:		
(1) 730—Coastal Conservancy Fund of 1984 Item 3760-301-730(1), Budget Act of 1985, Monterey State Beach, Window-on-the-Bay acquisition.		
3790-001-001—For support of Department of Parks and Recreation		79,587,000
Schedule:		
(a) 100000-Personal Services	96,163,000	
(b) 300000-Operating Expenses and Equipment	40,339,000	
(bx) 400001-Special Item of Expense—Rehabilitation of Camping Facilities	200,000	
(c) Reimbursements	−9,014,000	
(e) Amount payable from the Off-Highway Vehicle Fund (Item 3790-001-263)	−7,182,000	
(f) Amount payable from the State Parks and Recreation Fund (Item 3790-001-392)	−38,878,000	

Item Amount

(g) Amount payable from the Harbors and Watercraft Revolving Fund (Item 3790-001-516) ..... —323,000

(h) Amount payable from the Federal Trust Fund (Item 3790-001-890) .. —1,688,000

(i) Amount payable from the Winter Recreation Fund (Item 3790-001-449) ..... —30,000

Provisions:

1. Of the amount appropriated by this item, $679,000, as transferred from Item 3790-001-263, shall be available for operation of the Martin Ranch Off-Highway Vehicle project, but none of these funds shall be available for expenditure until the Martin Ranch property is acquired. $219,000 of this amount shall be available for allocation by the Director of Finance, based on the number of months remaining in the fiscal year at the time the Martin Ranch property is acquired.
2. Of the amount appropriated by this item, $496,000 shall be available for an automated inventory system, but shall not be available for expenditure until the Department of Finance, Office of Information Technology, has approved a feasibility study report on the system. If the cost of the alternative approved by the Department of Finance is less than $496,000, the difference between the amount approved and $496,000 shall revert to the General Fund.
3. Of the amount appropriated by this item, $137,000 shall be available for a computer-aided drafting/design system, and the department shall submit to the Legislature with its 1987–88 budget request a report including all of the following information: (1) the level of increased output the Graphic Services Unit has achieved as a result of the installation of a computer-aided drafting/design system, and (2) the projected workload and staffing needs in the Graphic Services Unit over the next five years.

3790-001-263—For support of Department of Parks and Recreation, for transfer to Item 3790-001-001, payable from the Off-Highway Vehicle Fund 7,182,000

3790-001-392—For support of Department of Parks and Recreation, for transfer to Item 3790-001-001, payable from the State Parks and Recreation Fund .. 38,878,000

Item	Amount
3790-001-449—For support of Department of Parks and Recreation, for transfer to Item 3790-001-001, payable from the Winter Recreation Fund	30,000
3790-001-516—For support of Department of Parks and Recreation, for transfer to Item 3790-001-001, payable from the Harbors and Watercraft Revolving Fund	323,000
Provision: 1. The funds appropriated in this item are pursuant to subdivision (d) of Section 663.7 of the Harbors and Navigation Code, Harbors and Watercraft Revolving Fund.	
3790-001-890—For support of Department of Parks and Recreation, for transfer to Item 3790-001-001, payable from the Federal Trust Fund	1,688,000
3790-011-001—For support of Department of Parks and Recreation, for operational costs of Seccombe Lake SURA	66,000
3790-011-062—For transfer by the State Controller from the Highways Users Tax Account in the Transportation Tax Fund to the State Parks and Recreation Fund, as prescribed by subdivision (a) of Section 2107.7 of the Streets and Highways Code for the support of the Department of Parks and Recreation, for expenditure by the department for maintenance and repair of highways in units of the state park systems; payable from the Highway Users Tax Account, Transportation Tax Fund	(1,500,000)
3790-101-140—For local assistance, Department of Parks and Recreation, payable from the California Environmental License Plate Fund	105,000
Schedule: (a) Great Valley Museum of Natural History-facility expansion 105,000	
3790-101-263—For grants to cities, counties, or special districts, and for cooperative agreements with federal agencies, as specified in Division 5 (commencing with Section 5001) of the Public Resources Code, Department of Parks and Recreation, payable from the Off-Highway Vehicle Fund, to be available for expenditure during the 1986–87, 1987–88, and 1988–89 fiscal years	8,439,000
Schedule: U.S. Bureau of Land Management, Bakersfield District (1) High Desert Study—Planning 106,000	

Item	Amount
(2) High Desert Trail Construction—Dev.	72,000
(3) Clear Creek—O&M	62,000
U.S. Bureau of Land Management, California Desert District	
(4) Desert Access Signing—Dev.	107,000
(5) Mojave Road—Phase II—Acq.	359,000
(6) Barstow Open Areas—O&M	47,000
(7) Barstow Open Areas—Acq.	374,000
(8) Barstow Open Areas—Planning	246,000
(9) Yuha Desert Staging Area—Dev.	51,000
(10) Yuha Desert—O&M	7,000
(11) Lark Canyon—O&M	68,000
(12) Buttercup-Grays Well—Dev.	740,000
(13) Imperial Dunes Visitor Services—O&M	183,000
(14) Imperial Dunes Maintenance—O&M	75,000
(15) Imperial Dunes Ranger Station—Dev.	95,000
(16) El Centro Trash Stations—O&M	58,000
(17) Red Canyon Trail	249,000
(18) El Mirage—O&M	100,000
(19) Jawbone Canyon—Dev.	351,000
(20) Jawbone Canyon—O&M	211,000
(21) Grant Coordinator—Planning	50,000
(22) Windy Point—O&M	50,000
U.S. Bureau of Land Management, Ukiah District	
(23) Cow Mountain—O&M	73,000
U.S. Forest Service, Angeles National Forest	
(24) Forestwide Trail System—Planning	63,000
(25) Arroyo Seco-Spring C/G—Dev.	22,000
(26) San Gabriel Canyon—Dev.	565,000
(27) Rowher Flat CR Mitigation—Dev.	75,000
U.S. Forest Service, Eldorado National Forest	
(28) Loon Group Camp—Dev.	82,000
(29) Loon Group—O&M	3,000
(30) Barrett Lake—O&M	1,000
(31) Barrett Lake Sanitation—Dev.	7,000
(32) Forest OHV Plan—Planning	73,000
(33) Stumpy Meadows ATV—O&M	5,000
(34) Mace Mill-Rock Creek—Dev.	202,000
(35) Highway 88 Snowmobile Facilities—O&M	95,000

0 40 2940 0

Item	Amount
U.S Forest Service, Inyo National Forest	
(36) Monache-Phase I—Dev	118,000
(37) Monache—O&M	27,000
(38) Wheeler Crest—Dev	12,000
(39) Wheeler Crest—O&M	4,000
U S Forest Service, Klamath National Forest	
(40) Deer Mountain—O&M	6,000
(41) Deer Mountain Snowplowing—O&M	5,000
(42) Medicine Lake Link—O&M	6,000
(43) Medicine Lake Link Snowplowing—O&M	7,000
U S. Forest Service, Lake Tahoe Basin Management Unit	
(44) LTBMU—O&M	61,000
(45) OHV Plan Revision—Planning	74,000
U.S. Forest Service, Lassen National Forest	
(46) Ashpan—O&M	10,000
(47) Bogard Snowmobile I—Planning	10,000
(48) Bogard Snowmobile—O&M	6,000
U.S. Forest Service, Los Padres National Forest	
(49) ORV Right of Way—Acq.	60,000
(50) ORV Route EA & Design—Planning	34,000
(51) Mt. Pinos II—O&M	103,000
(52) Smith Fork Rehab—Dev.	14,000
(53) Ortega Hill ORV Trail—Dev.	15,000
(54) Hildreth—Dev	15,000
(55) Santa Barbara—O&M	63,000
(56) Divide Peak—Dev.	7,000
(57) Camuesa Peak—Dev.	5,000
(58) Rock Front-Pozo—Dev.	50,000
U.S. Forest Service, Mendocino National Forest	
(59) Upper Lake—O&M	23,000
U.S. Forest Service, Plumas National Forest	
(60) Gold Lake—O&M	1,000
(61) Gold Lake Jeep Camp—Dev	42,000
(62) Lake Davis—O&M	1,000
U.S. Forest Service, San Bernardino National Forest	
(63) Rock Camp Complex—Dev	100,000
(64) Forestwide—Planning	34,000
(65) Forestwide—O&M	40,000
U.S. Forest Service, Sequoia National Forest	
(66) Tule River Motorcycle—Dev.	310,000
(67) Tule River Motorcycle—O&M	18,000
(68) Trail System Planners—Planning	103,000

Item	Amount
(69) Tule River Snowmobile—Dev. ..	30,000
(70) Tule River Snowmobile—O&M..	10,000
U.S. Forest Service, Sierra National Forest	
(71) Forest OHV Plan—Planning	80,000
U.S. Forest Service, Tahoe National Forest	
(72) Forestwide II—O&M	110,000
(73) Tahoe Land Acquisitions—Acq...	510,000
U.S. Forest Service, Toiyabe National Forest	
(74) Monitor Pass—O&M.....	8,000
(75) Hope Valley—O&M	3,000
U.S. Forest Service, Pacific Southwest Region	
(76) Statewide OHV Coordinator—Planning.....	50,000
City of Lompoc	
(77) River Park OHV Area—Planning	39,000
City of Marysville	
(78) Riverfront Park Improvements—Dev.	91,000
(79) Riverfront Park—O&M	14,000
County of Sacramento	
(80) Prairie City Planning Supplement—Planning.....	20,000
(81) Prairie City—Phase I Supplement—Dev.....	390,000
(82) Prairie City—O&M.....	125,000
Lake Elsinore Recreation and Park District	
(83) Stovepipe—Planning	90,000
County of Monterey	
(84) Laguna Seca—O&M	15,000
City of Palm Springs	
(85) Windy Point Feasibility II—Planning.....	46,000
County of Stanislaus	
(86) La Grange—O&M.....	31,000
(87) Frank Raines—O&M	46,000
County of San Bernardino	
(88) Park Moabi—Dev.....	43,000
County of Alpine	
(89) Hope Valley Snow Removal II—O&M.....	3,000
County of Santa Clara	
(90) Motorcycle Park III—Dev.	35,000
(91) Motorcycle Park III—O&M	39,000
Statewide	
(92) Safety Grants	300,000

0 40 2970 0

Item			Amount
Provisions:			
1. Funds appropriated by this item for cooperative agreements with federal agencies may not be spent for the enforcement of laws controlling the operation of off-highway motor vehicles, including visitor contacts regarding violations of those laws.			
2. Prior to transfer of funds under category (34) for the Mace Mill-Rock Creek OHV Park, the Department of Parks and Recreation shall fully comply with the California Environmental Quality Act, including, but not limited to, the completion of an adequate environmental impact report.			
COMMUNITY PARKLANDS PROGRAM			
3790-101-716—For local assistance, Department of Parks and Recreation, payable from the Community Parklands Fund			100,000
Schedule:			
(a) Project review		100,000	
PARKLANDS ACQUISITION AND DEVELOPMENT PROGRAM			
3790-101-721—For grants to counties, cities, and districts, as defined in Section 5096.144 of the Public Resources Code, pursuant to subdivision (a) of Section 5096.151 of the Public Resources Code, Department of Parks and Recreation, and for project review, payable from the Parklands Fund of 1980			969,000
Schedule:			
(a) Project review		222,000	
(b) Project grants		747,000	
Projects in Contra Costa County			
(1) County of Contra Costa, Montarabay	1,000		
Projects in Kern County			
(1.5) Bear Mountain Recreation and Park District, Bear Mountain Parks	23,000		
Projects in Los Angeles County			
(2) City of Agoura Hills, Rainbow Creek Park	38,000		
(3) City of Duarte, Beardslee Park	49,000		

Item		Amount
(4) County of Los Angeles, Quail Summit Park	350,000	
(5) County of Los Angeles, Topanga Beach	12,000	
Projects in Orange County		
(6) City of Tustin, Tustin Senior Center	126,000	
(6.5) Silverado-Modjeska Parks and Recreation District, General Park Purposes	20,000	
Projects in Sacramento County		
(7) City of Isleton, Isleton Ball Park	20,000	
Projects in San Mateo County		
(8) City of San Carlos, San Carlos Recreation Facilities	88,000	
Projects in Sonoma County		
(9) Occidental CSD, Harmony School Playfield	20,000	

PARKLANDS ACQUISITION AND DEVELOPMENT PROGRAM OF 1984

3790-101-722—For grants to counties, cities, and districts, as defined in Section 5096.228 of the Public Resources Code, pursuant to paragraphs (1) through (4), inclusive, of subdivision (a) of Section 5096.231 of the Public Resources Code, and for project review, Department of Parks and Recreation, payable from the Parklands Fund of 1984 38,474,000

Schedule:

(a) Regional Competitive Program, Public Resources Code Sections 5096.231(a)(1) and 5096.233(b)	24,933,000	
(1) Project review	183,000	
Projects in Region 1		
(2) City of Crescent City, Beachfront Park	11,000	
(3) County of Del Norte, Recreation Center Gym	25,000	

Item		Amount
	(4) County of Del Norte, Van Deventer Park.....	20,000
	(5) City of Ferndale, Fireman's Park.....	12,000
	(6) Manila CSD, Manila Park.....	28,000
	(7) City of Rio Del, Rio Del Community Park.....	15,000
	(8) County of Lake, Kelseyville Park....	40,000
	(9) County of Lake, Lakeside Park.....	40,000
	(10) Brooktrails CSD, Brooktrails Park....	40,000
	(11) City of Fort Bragg, Bainbridge Park.....	19,000
	Projects in Region 2	
	(12) Paradise RPD, Byne Aquatic Park	20,000
	(13) City of Colusa, Lews Tennant Park.....	60,000
	(14) City of Orland, Orland Pool.....	40,000
	(15) City of Susanville, Roosevelt Pool 2 ..	34,000
	(16) City of Alturas, Roping Arena	15,000
	(17) Central Plumas RPD, Pioneer Park	25,000
	(18) Greenville CSD, Greenville Park	14,000
	(19) County of Plumas, Portola Field	50,000
	(20) County of Plumas, Taylorsville Park.....	25,000
	(21) City of Redding, Sacramento River Trail.....	61,000
	(22) Shasta Dam Area PUD, Buckeye Regional Park	31,000

Item		Amount
	(23) Mount Shasta RPD, Shastice Park	40,000
	(24) City of Red Bluff, Diamond Bar	135,000
	(25) Lewiston CSD, Lewiston Park	22,000
	(26) County of Trinity, Burnt Ranch Park	52,000
	(27) County of Trinity, Lowden Park	16,000
	(28) County of Trinity, Trinity Center	10,000
	Projects in Region 3	
	(29) County of El Dorado, Union Mine Regional Park	98,000
	(30) City of Grass Valley, Memorial Park	18,000
	(31) County of Nevada, San Juan Ridge	12,000
	(32) City of Rocklin, Johnson-Springview Park	41,000
	(33) Arden Park RPD, La Sierra Park	25,000
	(34) City of Folsom, Recreation Center	84,000
	(35) City of Isleton, Ballpark	30,000
	(36) County of Sacramento, Community Park	40,000
	(37) City of Sacramento, Del Paso Park	207,000
	(38) City of Sacramento, Land Park	71,000
	(39) County of Sacramento, Gibson Ranch	315,000
	(40) Southgate RPD, Norm Waters Park	50,000
	(41) County of Sierra, Downieville Community Hall	60,000

Item	Amount
(42) County of Sierra, RV Disposal Station	10,000
(43) City of Yuba City, Blackburn-Tally Park	200,000
(44) County of Yuba, Ponderosa Park	29,000
Projects in Region 4	
(45) City of Alameda, Washington Park	115,000
(46) Hayward Area RD, Palomares Hills	282,000
(47) Livermore Area RPD, Veterans Park	100,000
(48) City of Newark, Newark Sportsfield	97,000
(49) City of Oakland, Brookfield Recreation Center	300,000
(50) County of Contra Costa, Discovery Park	100,000
(51) City of Danville, Osage Station	78,000
(52) East Bay RPD, Alvarado Park	489,000
(53) East Bay RPD, Sibley Interpretive Center	138,000
(54) City of El Cerrito, Cerrito Vista	100,000
(55) City of Pinole, Pinole Valley	62,000
(56) City of Walnut Creek, Arbalado Park	219,000
(57) Marin City CSD, Marin City Park	50,000
(58) City of San Rafael, Terra Linda Recreation Center	120,000

Item	Amount
(59) American Canyon Water District, Kimberly Park	20,000
(60) City of St. Helena, Lyman Park	49,000
(61) City/County of San Francisco, Golden Gate Park	600,000
(62) City County of San Francisco, St. Mary's Square	376,000
(63) City of Atherton, Holbrook-Palmer Park	48,000
(64) Ladera Recreation District, Ladera Recreation Center	45,000
(65) Midpeninsula RO-SD, Skyline Ridge	300,000
(66) City of San Mateo, Bayside/Joinville Park	280,000
(67) City of South San Francisco, Magnolia Community Center	200,000
(68) County of Santa Clara, Penitencia Creek Park	500,000
(69) City of San Jose, Guadalupe Park	217,000
(70) City of Fairfield, Laurel Creek Park	185,000
(71) Greater Vallejo RPD, Wilson/Dalwigk Park	123,000
(72) Camp Meeker RPD, Camp Meeker	19,000
(73) Russian River RPD, Wright Park	20,000
(74) County of Sonoma, Putnam Park	95,000

Item	Amount
Projects in Region 5	
(75) County of Amador, Fiddletown Park	54,000
(76) County of Amador, Mollie Joyce Park	18,000
(77) County of Amador, Pioneer Park	10,000
(78) County of San Joaquin, Regional Sports Complex	300,000
(79) City of Modesto, Beyer Community Park	330,000
(80) County of Tuolumne, Columbia Park	131,000
Projects in Region 6	
(81) City of Clovis, Bicentennial Park	147,000
(82) Del Rey CSD, Del Rey Tennis Courts	23,000
(83) City of Fresno, Airways Pool	50,000
(84) City of Fresno, Einstein Playground	18,000
(85) City of Fresno, Fink-White Park	34,000
(86) City of Fresno, Quigley Playground	23,000
(87) City of Fresno, Radio Park	24,000
(88) County of Fresno, Avocado Lake	21,000
(89) County of Fresno, Coalinga Tank	18,000
(90) County of Fresno, Kearney Park	103,000
(91) County of Fresno, Laton Group Area	42,000
(92) County of Fresno, Lost Lake Group Area	21,000

Item	Amount
(93) County of Fresno, Winton Park Pump	10,000
(94) City of Fowler, Fowler Park 1	51,000
(95) City of Huron, Chestnut Park	60,000
(96) City of Mendota, Bass Avenue Park	51,000
(97) City of Bakersfield, Harris Park	160,000
(98) County of Kern, Standard Park	74,000
(99) City of McFarland, Westside Park	37,000
(100) City of Avenal, Rice Park	67,000
(101) County of Madera, Coarsegold Area Park	31,000
(102) County of Mariposa, Mariposa Park	80,000
(103) County of Mariposa, Midpines Building	15,000
(104) County of Tulare, Bartlett Park	75,000
(105) City of Tulare, Tyler Park	88,000
(106) City of Visalia, St. John's River Trail	23,000
Projects in Region 7	
(107) City of Del Rey Oaks, Del Rey Park	20,000
(108) City of King, Municipal Park	35,000
(109) City of Marina, Glorya J. Tate Park	107,000
(110) County of Monterey, Laguna Seca	75,000
(111) City of Salinas, Sherwood Park	65,000

Item	Amount
(112) City of Sand City, Calabrese Park	25,000
(113) City of Atascadero, Paloma Creek Park	50,000
(114) City of Morro Bay, City Park	10,000
(115) County of San Luis Obispo, Cuesta Park	70,000
(116) City of Lompoc, River Park	129,000
(117) City of Santa Barbara, Ortega Park	85,000
(118) City of Santa Barbara, Skofield Park	70,000
(119) County of Santa Barbara, Waller Park Lake	50,000
(120) La Selva Beach RD, La Selva Community Center	28,000
(121) City of Santa Cruz, Louden Community Center	120,000
(122) County of Santa Cruz, Highlands Park	51,000
Projects in Region 8	
(123) City of Calexico, Rockwood Plaza	74,000
(124) City of Bell, Pritchard Park	80,000
(125) City of Carson, Delamo Park	250,000
(126) City of Covina, Covina Park	120,000
(127) City of El Monte, Park Arroyo	200,000
(128) City of Gardena, Rowley Park	75,000

Item	Amount
(129) City of Glendora, Sanburg School Park	106,000
(130) City of Inglewood, Centinela Park	140,000
(131) City of Lakewood, River Park	282,000
(132) City of Mirada, Landmark Park	150,000
(133) City of Los Angeles, Griffith Park	485,000
(134) City of Los Angeles, Hansen Dam Trail	66,000
(135) City of Los Angeles, Hazard Park	116,000
(136) City of Los Angeles, Mar Vista Recreation Center	146,000
(137) City of Los Angeles, Oakwood Park	238,000
(138) City of Los Angeles, Rancho Cienga Park	277,000
(139) City of Los Angeles, Rose Hill Park	200,000
(140) City of Los Angeles, Runyon Canyon Park	240,000
(141) City of Los Angeles, State Street	1,536,000
(142) County of Los Angeles, Baldwin Hills	500,000
(143) County of Los Angeles, Hart Park	200,000
(144) County of Los Angeles, John Anson Ford Park	100,000
(145) County of Los Angeles, Manhattan State Beach	234,000

Item		Amount
(146)	County of Los Angeles, Redondo State Beach	367,000
(147)	County of Los Angeles, Salazar Park	125,000
(148)	County of Los Angeles, Stimson Park	130,000
(149)	County of Los Angeles, Venice Beach	334,000
(150)	City of Manhattan Beach, Marine Avenue Park	88,000
(151)	City of Monrovia, Community Swimming Pool	190,000
(152)	City of Monterey Park, La Loma Park	175,000
(153)	City of Pasadena, Brookside Park	190,000
(154)	City of Pomona, Ganesha Park	350,000
(155)	City of Redondo Beach, Aviation Park	190,000
(156)	City of Santa Monica, Clover Park	66,000
(157)	City of Santa Monica, Stewart Street Park	200,000
(158)	City of Temple City, Live Oak Park	100,000
(159)	City of Anaheim, Little Peoples Park	57,000
(160)	City of Anaheim, Marshall Park	43,000
(161)	City of Anaheim, Pearson Park	250,000
(162)	City of Brea, Arovista Park	305,000

Item	Amount
(163) Cypress RPD, Arnold/Cypress Park	50,000
(164) City of Huntington Beach, Central Park	100,000
(165) County of Orange, Darrin Park	175,000
(166) County of Orange, Santiago Oaks Park	175,000
(167) Silverado-Modjeska RPD, Recreation Center	35,000
(168) City of Tustin, Senior Center	275,000
(169) City of Westminster, Bowling Green	90,000
(170) Coachella VRPA, Mecca Park	150,000
(171) Jurupa Area RPD, Avalon Park	87,000
(172) City of Lake Elsinore, Lake Point Park	104,000
(173) County of Riverside, Idyllwild Park	100,000
(174) City of Rancho Cucamonga, Beryl Park	131,000
(175) City of Rancho Cucamonga, Lions Park	86,000
(176) City of San Bernardino, Hillcrest Park	50,000
(177) City of San Bernardino, Nicholson Park	19,000
(178) City of San Bernardino, Palm Field	22,000

Item	Amount
(179) County of San Bernardino, Friendly Hills	13,000
(180) County of San Bernardino, Skyline Park	15,000
(181) County of San Bernardino, Sunburst Park	47,000
(182) County of San Bernardino, Prado Tiro	488,000
(183) City of Victorville, Pebble Beach Park.....	81,000
(184) Yucaipa RPD, Wildwood Park.....	67,000
(185) Rancho Simi RPD, Atherton-Alamo Park	100,000
(186) City of Santa Paula, Santa Paula Center	100,000
(187) County of Ventura, Faria-Hobson Beach	150,000
(188) County of Ventura, Ojai Valley Trail.....	200,000
(189) County of Ventura, Steckel Park	85,000
Projects in Region 9	
(190) City of Chula Vista, Rohr/Sweetwater.....	320,000
(191) City of Escondido, Kit Carson Park.....	100,000
(192) City of La Mesa, Harry Griffen Park	125,000
(193) City of Lemon Grove, Jr. High Sportsfields	82,000
(194) Padre Dam MWD, Santee Lakes.....	85,000

Item		Amount
(195) City of Poway, Poway Community Park	110,000	
(196) City of San Diego, Montgomery-Waller	59,000	
(197) City of San Diego, Old Mission Dam	150,000	
(198) City of San Diego, Paradise Hills Park	210,000	
(199) County of San Diego, Santa Ysabel Park	90,000	
(200) County of San Diego, Sweetwater Campground Area	200,000	
(201) City of San Marcos, Discovery Park	74,000	
(202) City of Santee, Woodglen Vista	200,000	
(203) Valley Center CSD, Valley Center Athletic Complex	30,000	
(204) City of Vista, Brengle Terrace	124,000	
Projects in Region 10		
(205) City of Bishop, City Park	62,000	
(206) City of Mammoth Lakes, Shady Rest Park	63,000	
(b) Lakes, Reservoirs and Waterways Program, Public Resources Code Section 5096.231 (a)		9,900,000
Projects in Alameda County		
(2) East Bay RPD, Del Valle Reservoir	248,000	
Projects in Amador County		
(3) East Bay MUD, Pardee Reservoir	125,000	
Projects in Calaveras County		
(4) Calaveras CWD, Blagen Park	62,000	

Item	Amount
Projects in Contra Costa County	
(5) East Bay MUD, Lafayette Reservoir ..	150,000
Projects in El Dorado County	
(6) Cameron Park CSD, Cameron Park Lake	125,000
(7) El Dorado ID, Sly Park.....	30,000
(8) City of South Lake Tahoe, Regan Beach	100,000
Projects in Fresno County	
(9) County of Fresno, Avocado Lake.....	41,000
Projects in Imperial County	
(10) County of Imperial, Red Hill Marina	109,000
(11) County of Imperial, Sunbeam Lake	206,000
Projects in Kern County	
(12) Tehachapi RPD, Brite Lake	80,000
Projects in Lake County	
(13) City of Lakeport, Third Street Park	59,000
Projects in Los Angeles County	
(14) City of Long Beach, El Dorado Lake	350,000
(15) City of Los Angeles, Hollenbeck Lake	1,000,000
(16) County of Los Angeles, Santa Fe Dam	225,000
Projects in Marin County	
(17) County of Marin, Stafford Lake	316,000
Projects in Mariposa County	
(18) Merced ID, Lake McClure.....	107,000

Item	Amount
Projects in Merced County	
(19) County of Merced, Lake Yosemite	215,000
Projects in Monterey County	
(20) City of Monterey, El Estero	130,000
(21) County of Monterey, San Antonio Reservoir	195,000
Projects in Nevada County	
(22) County of Nevada, Bear River	34,000
(23) Nevada ID, Rollins Reservoir	127,000
(24) Nevada ID, Scotts Flat Reservoir	118,000
Projects in Placer County	
(25) County of Placer, Bear River	100,000
Projects in Riverside County	
(26) County of Riverside, Lake Cahuilla	335,000
(27) County of Riverside, Lake Skinner	438,000
Projects in Sacramento County	
(28) County of Sacramento, Pond Recreation Area	51,000
(29) County of Sacramento, Tiscornia Park	110,000
Projects in San Diego County	
(30) City of San Diego, Lake Sutherland	120,000
(31) City of San Diego, San Vicente Lake	168,000
(32) County of San Diego, Lake Jennings	225,000
(33) County of San Diego, Lake Morena	470,000

Item	Amount
Projects in San Francisco City and County	
(34) City of San Francisco, Lake Merced	590,000
Projects in San Joaquin County	
(35) City of Lodi, Lodi Lake	97,000
(36) County of San Joaquin, Durham Ferry	346,000
(37) County of San Joaquin, Westgate Landing	93,000
Projects in San Luis Obispo County	
(38) City of Atascadero, Atascadero Lake	200,000
(39) County of San Luis Obispo, Lopez Lake	224,000
Projects in Santa Barbara County	
(40) County of Santa Barbara, Lake Cachuma	97,000
(41) County of Santa Barbara, Lake Los Carneros	146,000
Projects in Siskiyou County	
(42) County of Siskiyou, Lake Shastina	183,000
Projects in Solano County	
(43) County of Solano, Lagoon Valley	426,000
Projects in Sonoma County	
(44) County of Sonoma, Healdsburg Beach	150,000
Projects in Stanislaus County	
(45) County of Stanislaus, Modesto Reservoir	385,000
Projects in Tuolumne County	
(46) Turlock ID, Don Pedro Reservoir	245,000

Item		Amount
Projects in Ventura County		
(47) Casitas MWD, Lake Casitas	347,000	
Projects in Yuba County		
(48) City of Marysville, Riverfront Park.....	136,000	
(49) County of Yuba, Star Bend.....	42,000	
(50) Yuba CWA, Bullards Bar.....	24,000	
(c) Roberti-Z'berg Urban Open Space and Recreation Program, Public Resources Code Section 5096.231		
(a) (3)		222,000
(1) Project Review.....	163,000	
(2) Project Grants	59,000	
(d) Historic Preservation Program, Public Resources Code Section 5096.231 (a) (4)		3,419,000
(1) Project Review.....	49,000	
Projects in Alameda County		
(2) City of Alameda, Alameda Free Library	25,000	
(3) City of Oakland, Lake Merritt Necklace of Light	100,000	
Projects in Amador County		
(4) County of Amador, Amador County Hospital Building..	150,000	
Projects in Butte County		
(5) City of Oroville, Old Oroville Commercial District	200,000	
Projects in Colusa County		
(6) City of Williams, Sacramento Valley Museum	96,000	
Projects in Imperial County		
(7) City of El Centro, El Centro Main Post Office.....	300,000	

Item		Amount
	Projects in Los Angeles County	
	(8) City of Los Angeles, Banning Coach Barn Museum.	70,770
	(9) City of Los Angeles, El Pueblo de Los Angeles SHP, Pico House Grand Staircase/Entry Hall	72,391
	(10) City of Los Angeles, Fire Station #30	149,885
	(11) City of Los Angeles, Los Angeles Central Library	100,000
	(12) City of Pasadena, Pasadena City Hall	50,000
	Projects in Mariposa County	
	(13) County of Mariposa, Mariposa County Courthouse.....	100,000
	Projects in Monterey County	
	(14) County of Monterey, Tidball Store..	28,350
	Projects in Napa County	
	(15) City of Napa, Napa Opera House	123,000
	Projects in Nevada County	
	(16) City of Nevada City, Firehouse Museum	113,000
	Projects in Orange County	
	(17) City of Anaheim, Carnegie Library..	81,747
	(18) County of Orange, Orange County Courthouse.....	97,000
	Projects in Placer County	
	(19) County of Placer, Placer County Courthouse	47,940

Item	Amount
Projects in Plumas County	
(20) County of Plumas, Beckwourth's Cabin	38,523
Projects in Sacramento County	
(21) County of Sacramento, Jean Harvie School	50,000
Projects in San Bernardino County	
(22) County of San Bernardino, Yucaipa Adobe	54,910
Projects in San Diego County	
(23) City of Carlsbad, Sante Fe Depot	35,000
(24) City of San Diego, Balboa Park Administration Bldg..	300,000
Projects in San Francisco City/County	
(25) City/County of San Francisco, Coit Memorial Tower ..	50,000
Projects in Santa Clara County	
(26) Mid-Peninsula Regional Open Space District, Picchetti Ranch (Cupertino, CA)	100,000
(27) City of Santa Clara, Santa Clara Verein.....	70,850
Projects in Shasta County	
(28) City of Redding, Old City Hall	73,170
Projects in Solano County	
(28.5) City of Benicia, Clocktower Fortress-Repair/Renovate Roof and Ceiling	100,000
(28.7) City of Vallejo, Vallejo Naval and Historic Museum-Repair and Renovation	150,000

Item		Amount
Projects in Sonoma County		
(29) City of Healdsburg, Healdsburg Public Library	66,564	
(30) City of Sonoma, Sonoma City Hall	100,000	
Projects in Tuolumne County		
(31) City of Sonora, Sonora Opera Hall	50,000	
Projects in Ventura County		
(32) City of San Buenaventura, Dudley House.....	57,900	
Projects in Yolo County		
(33) County of Yolo, Yolo County Courthouse	168,000	

Provisions:

1. Except for project review schedules at paragraph (1) of category (a), at paragraph (1) of category (c), and at paragraph (1) of category (d), funds appropriated by this item shall be available for expenditure during the 1986–87, 1987–88, and 1988–89 fiscal years.

STATE BEACH, PARK, RECREATIONAL, AND HISTORICAL FACILITIES FUND OF 1964

3790-101-732—For local assistance, Department of Parks and Recreation, payable from the State Beach, Park, Recreational, and Historical Facilities Fund of 1964 198,000

Schedule:

(1) City of Garden Grove, Marie Hare Park—improvements	160,000
(2) Sand City, Calabrese Park—improvements	38,000

Provisions:

1. Funds appropriated in schedule (1) for the City of Garden Grove shall be available for expenditure during the 1986–87, 1987–88, and 1988–89 fiscal years.

Item		Amount
STATE BEACH, PARK, RECREATIONAL, AND HISTORICAL FACILITIES BOND ACT OF 1974		
3790-101-733—For local assistance, Department of Parks and Recreation, payable from the State Beach, Park, Recreational, and Historical Facilities Fund of 1974		1,960,000
Schedule:		
(1) County of Los Angeles—Hollywood Bowl, Additions	1,400,000	
(2) City of Kingsburg, Swimming Pool	400,000	
(3) East Bay Regional Park District, Martinez Shoreline Park and State Riding and Hiking Trail Staging Areas, acquisition	150,000	
NEJEDLY-HART STATE, URBAN AND COASTAL PARK BOND ACT PROGRAM		
3790-101-742—For local assistance, Department of Parks and Recreation, payable from the State, Urban and Coastal Park Fund		2,631,000
Schedule:		
(1) Project review	67,000	
(2) 50.20.067-City of Atwater—Community Center	150,000	
(2.5) 80.80.004-City of Dinuba—Swimming Pool Construction	85,000	
(3) 50.20.067-City of Downey—Wilderness Park, Fish Habitat Enhancement	25,000	
(4) 50.20.067-City of Downey—Wilderness Park, Shoreline Stabilization	25,000	
(4.5) 50.20.050-City of Half Moon Bay—General Park Purposes	24,000	
(4.7) 50.20.050-County of Kern—Ridgecrest, Regional Parks	50,000	
(5) 50.20.067-County of Merced—Glenn Davis Field, Lighting	75,000	
(6) 50.20.067-City of Piedmont—Dracena Quarry Park, Development	192,000	
(7) 80.80.095-County of Riverside—Chinatown Archaeological Project, Acquisition	213,000	

Item		Amount
(8) 50.30.003-County of Sacramento—American River Parkway, Storm Damage Repairs	500,000	
(9) 50.20.067-City of San Francisco—Kezar Stadium Renovations	475,000	
(10) 50.20.067-County of Santa Cruz—Quail Hollow Ranch, Acquisition	600,000	
(11) 70.70.117-Southgate Regional Park District—Southgate Resources Efficient Prototype Park	150,000	
3790-101-890—For local assistance, Department of Parks and Recreation, payable from the Federal Trust Fund, to be available for expenditure during the 1986–87, 1987–88, and 1988–89 fiscal years		4,208,000
Schedule:		
(a) Land and Water Conservation Fund Act of 1965	4,208,000	
3790-301-140—For Capital Outlay, Department of Parks and Recreation, payable from the California Environmental License Plate Fund		544,000
Schedule:		
(1) 90.8P.100-Emerald Bay SP—Vikingsholm Area Parking Improvements	1,000,000	
(2) 90.RS.800-Reimbursement from Cal Trans	−456,000	
3790-301-263—For Capital Outlay, Department of Parks and Recreation, payable from the Off-Highway Vehicle Fund		6,593,000
Schedule:		
(1) 90.EH.100-Hungry Valley SVRA—Facilities Construction	2,012,000	
(2) 90.C7.400-Ocotillo Wells SVRA—Acquisition	3,390,000	
(3) 90.RS.400-Statewide Acquisition Costs	30,000	
(4) 90.RS.400-Statewide Opportunity Purchases	100,000	
(5) 90.RS.400-Statewide Prebudget Appraisals	50,000	
(6) 90.RS.200-Minor projects	1,011,000	

Item		Amount

Provisions:

1. Funds appropriated in category (4) for opportunity purchases are available for acquisition of lands contiguous to lands of the State Vehicular Recreation Area and Trail System from willing sellers only. No funds for an opportunity acquisition may be encumbered until the specific acquisition has been approved by the Off-Highway Motor Vehicle Recreation Commission.
2. Priority in the expenditure of funds appropriated in category (1) for the Hungry Valley SVRA shall be given to preparation of the OHV Fair Site and access road in Quail Canyon. No more than 50 percent of the funds may be expended on other portions of the Hungry Valley SVRA until the OHV Fair Site in Quail Canyon is completed.

3790-301-392—For Capital Outlay, Department of Parks and Recreation, payable from the State Parks and Recreation Fund 5,671,000

Schedule:

(1)	90.RS.200-Minor projects	4,099,000
(2)	90.AC.400-Old Sacramento SHP—Engineering Building Site—Acquisition	1,292,000
(3)	90.RS.400-Statewide Acquisition Costs	150,000
(4)	90.3B.100-Humboldt Redwood SP—Bank Protection, working drawings	130,000

Provision:

1. Funds provided in Category (2) are in addition to funds provided in Chapter 1384, Statutes of 1984, Section 12(b) for the same purpose. Funds appropriated in Category (2) are from proceeds derived from the sale of approximately nine acres of land within the City of Sacramento and County of Sacramento, which is authorized by Section 4 of Chapter 1266, Statutes of 1982.

PARKLANDS ACQUISITION AND DEVELOPMENT

3790-301-721—For Capital Outlay, Department of Parks and Recreation, payable from the Parklands Fund of 1980 4,205,000

Item		Amount
Schedule:		
(1) 90.RS.600-Design and construction planning	900,000	
(2) 90.6F.100-Angel Island SP—East Garrison	1,855,000	
(3) 90.E4.400.862—Chino Hills SP—Rimpau and Astro Group—Acquisition	1,350,000	
(4) 90.IT.400-Hopetown Property—Acquisition	100,000	

Provisions:

1. Funds appropriated in category (3) for acquisition as additions to Chino Hills State Park shall be encumbered subject to the following conditions:
   (a) The property (commonly known as Rimpau), approximately 450 acres, shall be acquired by the Department of Parks and Recreation.
   (b) The property (commonly known as Astro Group (Brown)), 120 acres, shall be acquired by the Department of Parks and Recreation.
   (c) If the Department of Parks and Recreation does not acquire the parcels by March 30, 1987, then the funds that would have been available for the acquisition of the property are reappropriated for the acquisitions of properties known as Shell-Brea-Olinda, Chevron, Lamb, or any other high-priority parcel.

PARKLANDS ACQUISITION AND DEVELOPMENT PROGRAM OF 1984

3790-301-722—For Capital Outlay, Department of Parks and Recreation, payable from the Parklands Fund of 1984		41,874,000
Schedule:		
(1) 90.RS.200-Accessibility Expansion Program—Minor Projects	200,000	
(2) 90.JH.100-Anderson March Project —Rehabilitation of Ranch House and Interpretive Field School	146,000	

Item	Amount
(3) 90.6F.100-Angel Island SP—Building Restoration and Stabilization—Working Drawings and Construction	1,289,000
(3.2) 90.6F.100-Angel Island SP—Tiburon Land Base Improvements	500,000
(3.5) 90.HA.400-Anza-Borrego Desert SP—Acquisition	481,000
(3.7) 90.HA.100-Anza-Borrego Desert SP—Installation of Fencing to Protect Wildlife and other Park Resources	200,000
(4) 90.EC.400-Baldwin Hills SRA—Acquisition	3,000,000
(4.5) 90.E4.400-Chino Hills SP—Acquisition	1,498,000
(5) 90.8J.400-Columbia SHP—Acquisition	370,000
(6) 90.RS.600-Design and Construction Planning	2,483,000
(6.5) 90.HY.100-Indio Hills Palms SP—Immediate Public Use Facilities—Development	125,000
(6.7) 90.95.100-Little Franks Tract—Storm Damage Repair	982,000
(7) 90.EX.400-Malibu Creek SP—Acquisition	1,202,000
(7.5) 90.EX.100-Malibu Creek SP—Piuma Trailhead, Construction	196,000
(7.7) 90.EX.400-Malibu Creek SP—Malibu Canyon Acquisition	1,900,000
(8) 90.43.400-Manchester SB—Acquisition	168,000
(9) 90.BK.100-Manresa SB—Campground and Beach Access—Construction	1,592,000
(9.5) 90.4F.100-Mendocino Woodlands Outdoor Center—Utilities Service Extension	350,000
(10) 90.CS.400-Monterey SB—Window-on-the-Bay—Acquisition	2,890,000
(12) 90.AC.100-Old Sacramento SHP—Waterfront Development—Construction	1,336,000
(13) 90.EJ.100-Oxnard SB—Day Use Facilities—Construction	600,000

Item		Amount
(14) 90.H5.400-Palomar Mountains SP —Acquisition		344,000
(15) 90.2Y.100-Patrick's Point SP—Native American Village—Construction		207,000
(16) 90.CG.100-Pfeiffer Big Sur SP—Multi-Agency Facility—Working Drawings		50,000
(17) 90.C2.100-Point Sur Lighthouse—Phase I Immediate Public Use Improvements—Working Drawings and Construction		225,000
(18) 90.RS.600-Preliminary Planning/ Budget Schematics		250,000
(19) 90.RS.100-Rehabilitation and Replacement of Worn Out Facilities		5,588,000
(a) D.L. Bliss SP—Campground	1,505,000	
(b) Doheny SP—Campground	1,479,000	
(c) Gaviota SP—Campground and Day Use	1,680,000	
(d) MacKerricher SP —Water System	191,000	
(e) S.P. Taylor SP—Campground	433,000	
(f) Torrey Pines SR—Visitor Center and Trails	300,000	
(20) 90.HJ.100-San Diego Coast State Beaches (Torrey Pines)—Day Use Access and Overnight Facilities—Construction		1,551,000
(21) 90.C1.100-Santa Cruz Mission SHP—Phase III Neary-Rodriquez Adobe Reconstruction		1,190,000
(22) 90.H2.600-Silver Strand SB—Campground Development—Working Drawings		240,000
(23) 90.I4.600-South Carlsbad SB—Administrative, maintenance and day use facilities—Working Drawings		331,000
(24) 90.94.600-Stanford House SHP—Historic Preservation—Working Drawings		332,000

Item		Amount
(26) 90.RS.400-Statewide Inholding Purchases		500,000
(27) 90.RS.100-Statewide Interpretive Artifacts and Exhibit Rehabilitation		250,000
(28) 90.RS.400-Statewide Opportunity Purchases		500,000
(28.5) 90.RS.200-Statewide Storm Damage Repair		2,000,000
(29) 90.RS.200-Statewide Stewardship Program—Natural Resources—Minor Projects		2,065,000
(30) 90.RS.100-Statewide Topographic Survey Needs		250,000
(31) 90.HI.400-Torrey Pines SR—Los Penasquitos Lagoon—Acquisition		2,012,000
(32) 90.RS.200-Volunteer Program—Minor Projects		1,000,000
(33) 90.CO.600-Wilder Ranch SP—Campground and Day Use—Working Drawings		258,000
(34) 90.CO.100-Wilder Ranch SP—Phase II Historic Restoration		1,223,000

Provisions:

1. Funds provided in Category (13) of this item for Oxnard State Beach shall not be encumbered unless and until the Director of the Department of Parks and Recreation certifies to the State Public Works Board that: (1) both local and federal funds are available for expenditure towards this project; and (2) the development agreement with Ventura County contains appropriate provisions assuring that the project will be accomplished in a manner consistent with State Public Works Board approval authorities.
2. Of the amount appropriated in category (7) for acquisition of Malibu Creek State Park, $232,000 shall be allocated by the Santa Monica Mountains Conservancy for improvements to the Hunter Ranch project pursuant to Section 13, Chapter 1616, Statutes 1982, and an interagency agreement between the Department of Parks and Recreation and the Conservancy.
3. The City of Monterey shall use any funds received from category (10) as payment for city-owned property only to purchase additional property for the Window-on-the-Bay project.

Item		Amount
4. Notwithstanding any other provisions of law, neither the State Public Works Board nor the Department of Finance shall authorize any augmentations of the amount appropriated in category (12) other than augmentations for increases in the construction cost index from July 1, 1986.		

RECREATION AND FISH AND WILDLIFE ENHANCEMENT FUND

3790-301-728—For Capital Outlay, Department of Parks and Recreation, payable from the Recreation and Fish and Wildlife Enhancement Fund		289,000
Schedule:		
(1) 90.AI.200-Millerton Lake SRA—Waterline Improvements-minor project	169,000	
(2) 90.99.100.861-San Luis Reservoir SRA—Family Campground and Day Use Area—preliminary plans and working drawings	120,000	

NEJEDLY-HART STATE, URBAN, AND COASTAL PARK BOND ACT PROGRAM

3790-301-742—For Capital Outlay, Department of Parks and Recreation, payable from the State, Urban, and Coastal Park Fund		2,245,000
Schedule:		
(1) 90.RS.600-Design and construction planning	570,000	
(1.2) 90.DQ.100.861—Hearst San Simeon SHM—Artifact Restoration	256,000	
(1.3) 90.DQ.100.862—Hearst San Simeon SHM—Continuing Rehabilitation of Structures	500,000	
(1.4) 90.DQ.100.863—Hearst San Simeon SHM—Fire Suppression	263,000	
(1.7) 90.EX.100-Malibu Creek SP—Entrance Road, Archaeological and Construction Delays	150,000	
(2) 90.CN.100-Monterey SHP—Cooper-Molera Adobe Restoration—items to complete	206,000	
(3) 90.8X.100-Plumas Eureka SP—Eureka Lake Dam	300,000	

Item		Amount
3790-301-784—For Capital Outlay, Department of Parks and Recreation, payable from the Santa Monica Mountains Conservancy Fund of 1986		900,000
Schedule:		
(1) 90.IT.400-Hopetown Property Acquisition	900,000	
Provisions:		
1. No funds appropriated in category (1) shall be expended unless and until an equal amount of matching funds is provided from a source other than the Department of Parks and Recreation. The Department of Parks and Recreation shall expend no funds for the development of recreational vehicle facilities at the Hopetown site prior to 30 days advance written notification to the chairpersons of the legislative fiscal committees, including the Joint Legislative Budget Committee.		
3790-301-890—For Capital Outlay, Department of Parks and Recreation, payable from the Federal Trust Fund		1,050,000
Schedule:		
(1) 90.HA.400-Anza Borrego Desert State Park—acquisition	50,000	
(2) 90.BA.400-Big Basin Redwoods State Park—acquisition	350,000	
(3) 90.RS.400-California Redwoods Parks—acquisition	250,000	
(4) 90.B8.400-Castle Rock SP—Acquisition	100,000	
(5) 90.CX.400-Forest of Nisene Marks SP—Acquisition	300,000	
Provisions:		
1. The funds appropriated in category (5) shall be available for expenditure to the extent that the state's allocation of federal Land and Water Conservation Fund moneys for state capital outlay purposes exceeds the $750,000 budgeted in categories (1) to (4), inclusive. The funds appropriated in category (5) shall be used to match $500,000 in nonstate funds for acquisition of the Van Eck property adjacent to the park.		

Item Amount

3790-490—Reappropriation, Department of Parks and Recreation. Notwithstanding any other provisions of law, the undisbursed balances on the effective date of this act, of the appropriations provided in the following citations, are reappropriated for the purposes (and subject to the limitations unless otherwise specified) provided for in the appropriations, and shall be available for expenditure until June 30, 1987.

036—Special Account for Capital Outlay

(1) Item 3790-301-036(2), Budget Act of 1984, Ano Nuevo SR—working drawings and construct day use (phase II).

(2) Item 3790-301-036(7), Budget Act of 1984, East Bay Shoreline Project—acquisition and development.

(3) Item 3790-301-036(8), Budget Act of 1984, Folsom Lake SRA—working drawing for Negro Bar enhancement.

(4) Item 3790-301-036(13), Budget Act of 1984, Humboldt Redwoods SP—working drawings and construct bank protection.

(5) Item 3790-301-036(17) (f), Budget Act of 1984, natural systems rehabilitation.

(6) Item 3790-301-036(20), Budget Act of 1984, Pfeiffer Big Sur Project—working drawings and construct sewage treatment improvements.

(7) Item 3790-301-036(28), Budget Act of 1984, Statewide pier inspections—working drawings and emergency repairs.

(8) Item 3790-301-036(29) (a), Budget Act of 1984, San Clemente Campground—rehabilitation of campground.

(9) Section 1, Chapter 1548, Statutes of 1984, John Marsh Home—restoration, provided that the amount of the reappropriation is not to exceed $1,000,000.

(10) Item 3790-301-036(1), Budget Act of 1985, Acquisition Costs.

(11) Item 3790-301-036(5), Budget Act of 1985, Folsom Lake SRA—Negro Bar campground—construction.

(12) Item 3790-301-036(7), Budget Act of 1985, Malakoff Diggins SHP—sedimentation runoff studies.

Item Amount

(13) Item 3790-301-036(8), Budget Act of 1985, Millerton Lake SRA—Administrative building and parking—working drawings and construct.
(14) Item 3790-301-036(11), Budget Act of 1985, Pre-budget appraisals.
(15) Item 3790-301-036(13), Budget Act of 1985, San Onofre SB—water supply reservoir.
(16) Item 3790-301-036(14), Budget Act of 1985, San Onofre SB—Parcel 1 recreation facility—working drawings and construction: (with the reappropriation of Provision 2 in Item 3790-301-036).
(17) Item 3790-301-036(15), Budget Act of 1985, Stanford House SHP—working drawings and equipment.
(18) Item 3790-301-036(16), Budget Act of 1985, Statewide Natural Systems Rehabilitation.
(19) Item 3790-301-036(17)(b), Budget Act of 1985, Calaveras Big Trees SP—parkway.
(20) Item 3790-301-036(19), Budget Act of 1985, Woodson Bridge SRA—Erosion control—road relocation and studies.
(21) Item 3790-301-036(20), Budget Act of 1985, Reimbursement.

140—California Environmental License Plate Fund

(1) Item 3790-301-140(1), Budget Act of 1984, Kings Beach SRA—facility improvements.

263—Off-Highway Vehicle Fund

(1) Item 3790-301-263(f), Budget Act of 1982, Relocation assistance.
(2) Item 3790-301-263(b), Budget Act of 1983, Pismo Dunes SVRA—dune revegetation and stabilization, working drawings and construction.
(3) Item 3790-301-263(d), Budget Act of 1983, Carnegie SVRA—initial development working drawings and partial construction.
(4) Item 3790-301-263(f), Budget Act of 1983, Hollister Hills SVRA—facilities development and construction.
(5) Section 7(a), Chapter 1298, Statutes of 1983, Capital Outlay Projects at Hungry Valley SVRA.
(6) Item 3790-301-263(1), Budget Act of 1984, Carnegie SVRA—construct initial development.

Item	Amount
(7) Item 3790-301-263(3), Budget Act of 1984, Ocotillo Wells SVRA—construct initial development.	
(8) Item 3790-301-263(4), Budget Act of 1984, minor projects.	
(9) Item 3790-301-263(5), Budget Act of 1985, minor projects.	
(10) Item 3790-301-263(6), Budget Act of 1985, opportunity purchases.	
(11) Item 3790-301-263(8), Budget Act of 1985, preliminary planning.	
392—State Park and Recreation Fund	
(1) Item 3790-301-392(b), Budget Act of 1982, Hearst San Simeon SHM—construct road repair.	
(2) Item 3790-301-392(a), Budget Act of 1983, as added by Section 5, Chapter 37, Statutes of 1984, Sinkyone trail corridor—trail camps and trail construction.	
(3) Item 3790-301-392(e), Budget Act of 1983, Hearst San Simeon SHM—road repair.	
(4) Item 3790-301-392(1), Budget Act of 1985, minor projects.	
721—Parklands Fund of 1980	
(1) Item 3790-301-721(c), Budget Act of 1981, Sinkyone Wilderness SP—preliminary planning and construction.	
(2) Item 3790-301-721(o), Budget Act of 1981, Crystal Cove SB—preliminary plans, working drawings, construction.	
(3) Item 3790-301-721(q), Budget Act of 1981, Malibu Creek SP—construction of day use facilities.	
(4) Section 4, Chapter 37, Statutes of 1984, amending Item 3790-301-721(n), Budget Act of 1981, Sinkyone Wilderness SP—acquisition.	
(5) Item 3790-301-721(f), Budget Act of 1982, Colonel Allensworth SHP—working drawings and construct restoration and site work.	
(6) Item 3790-301-721(q), Budget Act of 1982, Old Sacramento SHP—working drawings and partial construction of 1849 scene.	
(7) Item 3790-301-721(r), Budget Act of 1982, Old Town San Diego SHP—working drawings and construct U.S. House, Light Freeman, and Wrightington Adobes.	

Item Amount

(8) Item 3790-301-721(s), Budget Act of 1982, San Simeon SB—working drawings and construct day use, campground, and sewer hookup.
(9) Item 3790-301-721(aa), Budget Act of 1982, Angel Island SP—working drawings and construct sewage treatment facilities.
(10) Item 3790-301-721(bb), Budget Act of 1982, Baldwin Hills Project—preliminary plans, working drawings and construct Phase I development.
(11) Item 3790-301-721(dd), Budget Act of 1982, Columbia SHP—continuing restoration of Fallon Hotel and Theatre.
(12) Item 3790-301-721(ee), Budget Act of 1982, East Bay Shoreline—acquisition, planning, and development.
(13) Item 3790-301-721(hh), Budget Act of 1982, Old Town San Diego SHP—working drawings and partial construction of Rose-Robinson Building, Schoolroom, Alvarado Family Property, Alvarado Lucia House, and parking.
(14) Item 3790-301-721(mm), Budget Act of 1982, McGrath SB—working drawings and construct Harbor Boulevard Bridge.
(15) Item 3790-301-721(qq), Budget Act of 1982, Citrus Heritage Park-Mockingbird Canyon Project—acquisition and planning.
(16) Item 3790-301-721(rr), Budget Act of 1982, Pismo SB-Grand Avenue Entrance—rehabilitation, working drawings and construction.
(17) Item 3790-301-721(uu), Budget Act of 1982, Fort Ross SHP—construct visitor center.
(18) Item 3790-301-721(aaa), Budget Act of 1982, Hearst San Simeon SHM—construct visitor center.
(19) Item 3790-304-721(a), Budget Act of 1982, as added by Chapter 1540, Statutes of 1982, Emma Woods SB—development and restoration.
(20) Section 1, Chapter 1002, Statutes of 1982, Crystal Cove SP—working drawings for full park development and interpretation.
(21) Item 3790-301-721(b), Budget Act of 1983, Columbia SHP—restoration and construction of Fallon Hotel and Theatre, Phase IV.

Item		Amount
	(22) Item 3790-301-721 (e), Budget Act of 1983, Old Town San Diego SHP—construct Rose-Robinson Building, Franklin/Colorado House, Alvardo family property, and Alvardo Lucia House.	
	(23) Item 3790-301-721 (h), Budget Act of 1983, San Diego Coast SB—working drawings and construct day use parking and rehabilitation.	
	(24) Item 3790-301-721 (i), Budget Act of 1983, San Pasqual Battlefield SHP—construct Interpretive Center. The funds reappropriated for this category (24) may, if the project does not meet the allocation of types of expenditures as specified in the California Parklands Act of 1980, be made available to and in augmentation of category (23) of this item for the construction of day-use parking and rehabilitation at the San Diego Coast state beaches not sooner than 30 days after the Director of Parks and Recreation notifies the Chairperson of the Joint Legislative Budget Committee and the Chairperson of the Assembly Ways and Means Committee, in writing, that the funds are no longer available for the construction of an interpretive center at the San Pasqual Battlefield SHP.	
	(25) Item 3790-301-721 (j), Budget Act of 1983, San Simeon SB—working drawings and construct day-use, campground, and sewer-hookup.	
	(26) Item 3790-301-721 (o), Budget Act of 1983, Sacramento Regional Indian Museum—planning and development.	
	(27) Item 3790-301-721 (q), Budget Act of 1983, Ano Nuevo SP—working drawings and construct entrance road.	
	(28) Item 3790-301-721 (r), Budget Act of 1983, Seccombe Lake SURA—acquisition and development.	
	(29) Item 3790-311-721 (a), Budget Act of 1983, Seccombe Lake SURA—acquisition and development.	
722	—Parklands Fund of 1984	

Item — Amount

(1) Item 3790-301-722(1), Budget Act of 1984, Gilroy Hot Springs—acquisition; provided that the funds may be used for acquisition of lands for access and boundary adjustments for Henry Coe SP, and that the funds may also be used in conjunction with existing appropriations for acquisition projects at Henry Coe SP; provided, further, that these funds shall be available for expenditure until June 30, 1988.
(2) Item 3790-301-722(3), Budget Act of 1984, Candlestick Point SRA—working drawings and construct day use, parking and landscaping.
(3) Item 3790-301-722(6), Budget Act of 1984, Colonel Allensworth SHP—building reconstruction.
(4) Item 3790-301-722(9.7), Budget Act of 1984, Governor's Mansion—restoration and renovation.
(5) Item 3790-301-722(25), Budget Act of 1984, Seccombe Lake SURA—phase II development, provided that the amount of the reappropriation is not to exceed $1,000,000.
(6) Item 3790-301-722(27.5), Budget Act of 1984, Little Frank's Tract SRA—storm damage repair.
(7) Item 3790-301-722(1), Budget Act of 1985, Prebudget appraisals.
(8) Item 3790-301-722(3), Budget Act of 1985, Ano Nuevo SR—Working drawings and construct visitor center and building restoration.
(9) Item 3790-301-722(4.2), Budget Act of 1985, Baldwin Hills SRA—ridge area development.
(10) Item 3790-301-722(5), Budget Act of 1985, Bale Grist Mill SP—Items to complete and reconstruction.
(11) Item 3790-301-722(7), Budget Act of 1985, Big Sur Coast—Planning, working drawings and construct immediate public use facilities.
(12) Item 3790-301-722(8), Budget Act of 1985, Brannan Island—General Plan.
(13) Item 3790-301-722(9), Budget Act of 1985, Candlestick Point SRA—Working drawings and day use facilities.
(14) Item 3790-301-722(12), Budget Act of 1985, Colonel Allensworth SHP—Working drawings and construct building restoration.

0 40 3320 0

Item		Amount
(15)	Item 3790-301-722(16), Budget Act of 1985, Henry W. Coe SP—Working drawings and construct initial development.	
(16)	Item 3790-301-722(18.1), Budget Act of 1985, Little Frank's Tract—development.	
(17)	Item 3790-301-722(19), Budget Act of 1985, Manresa SB—Working drawings for campground and beach access.	
(18)	Item 3790-301-722(20.2), Budget Act of 1985, Mount Diablo SP—Communications tower study.	
(19)	Item 3790-301-722(21), Budget Act of 1985, Natural Resources stewardship—minor projects.	
(20)	Item 3790-301-722(24), Budget Act of 1985, Old Town San Diego SHP—Phase IV working drawings and construction.	
(21)	Item 3790-301-722(25), Budget Act of 1985, Patrick's Point SP—Working drawings and construct Native Village.	
(22)	Item 3790-301-722(26), Budget Act of 1985, Pfeiffer Big Sur SP—General Plan.	
(23)	Item 3790-301-722(28), Budget Act of 1985, Regional Indian Museum (Sacramento)—Construction.	
(24)	Item 3790-301-722(30), Budget Act of 1985, San Diego Coast SB—(Torrey Pines) Working drawings and construction for day and overnight use.	
(25)	Item 3790-301-722(31), Budget Act of 1985, San Mateo Coast SB—Working drawings and construction for access improvements.	
(26)	Item 3790-301-722(36.2), Budget Act of 1985, South Yuba Trail—Development.	
(27)	Item 3790-301-722(36.3), Budget Act of 1985, Statewide appraisals costs.	
(28)	Item 3790-301-722(41), Budget Act of 1985, Statewide Topographic Surveys.	
(29)	Item 3790-301-722(43), Budget Act of 1985, Sugar Pine Point SP—Working drawings and construction for bicycle trail.	
(30)	Item 3790-301-722(44), Budget Act of 1985, Volunteer Programs—Minor projects.	
(31)	Item 3790-301-722(46), Budget Act of 1985, Wilder Ranch SP—Working drawings for restoration.	

0 40 3330 0

Item Amount

(32) Item 3790-301-722(47), Budget Act of 1985, Wilder Ranch SP—Utilities study topographic survey.

(33) Item 3790-301-722(48), Budget Act of 1985, Woodland Opera House SHP—Working drawings and construction for Phase IV restoration.

728—Recreation and Fish and Wildlife Enhancement Fund

(1) Item 3790-301-728(b), Budget Act of 1983, Regional Indian Museums Display—acquisition and development.

(2) Item 3790-301-728(c), Budget Act of 1983, Lake Del Valle SRA—development, working drawings, and construction.

(3) Item 3790-301-728(1), Budget Act of 1984, San Luis Reservoir SRA—campground improvements.

732—State Beach, Park, Recreational, and Historic Facilities Fund of 1964

(1) Item 573(b), Budget Act of 1980, Relocation assistance: provided that funds reappropriated in this item may be used for relocation assistance related to any acquisition project regardless of funding source.

733—State Beach Park, Recreational and Historical Facilities Bond Act of 1974

(1) Item 3790-801-721(ss), Budget Act of 1982, as amended and reappropriated by Item 3790-490-721(q), Budget Act of 1984, and by Item 3790-490-733(3), Budget Act of 1985, and pursuant to Section 28 provisions. Item 3790-801-733(d), Fresno Agricultural Museum—development; provided that if sufficient funds are not available in the Parklands Fund of 1980, the balance of funds may be provided by other bond funds pursuant to Section 28 of this act. In addition, any future appropriations for the California Agricultural Museum shall require that state funds be matched, dollar for dollar, with nonstate funds.

(2) Item 3790-301-733(2), Budget Act of 1984, Mission Adobe—historical and archeological research.

742—State Urban and Coastal Park Fund

Item Amount

(1) Item 443.2B(d), Budget Act of 1977, as added by Chapter 1109, Statutes of 1977, Garrapata Beach—acquisition.
(2) Item 508(i), Budget Act of 1979, Santa Monica Mountains Zone—Backbone Trail, Viewshed of Malibu Creek SP and Stunt Road Zone.
(3) Item 507.5B(a), Budget Act of 1979, as added by Chapter 372, Statutes of 1980—acquisition of land, leases and other interests in land; acquisition and development of recreation facilities at Lake Elsinore SRA.
(4) Item 585(c), Budget Act of 1980, Castaic Lake SRA—working drawings and construction.
(5) Item 585(k), Budget Act of 1980, Augmentation for land acquisition, condemnation proceedings for State, Urban, and Coastal Park Fund projects.
(6) Item 585(*l*), Budget Act of 1980, Relocation assistance.
(7) Item 379-301-742(b), Budget Act of 1981, Pyramid Reservoir—construction of camping and day use facilities.
(8) Item 3790-301-742(d), Budget Act of 1982, as added by Section 8, Chapter 1617, Statutes of 1982, Sonoma Coast SP—acquisition (willing sellers only) and development.
(9) Item 3790-301-742(e), Budget Act of 1982, as added by Section 8, Chapter 1617, Statutes of 1982, Santa Monica Mountains (Point Mugu State Park, Malibu Creek State Park, and Topanga State Park)—development.
(10) Item 3790-301-742(c), Budget Act of 1983, Millerton Lake SRA—working drawings and construction of day use facilities.
(11) Item 3790-301-742(f), Budget Act of 1983, East Bay Shoreline Project—acquisition and development.
(12) Item 3790-301-742(2), Budget Act of 1984, McGrath SB—working drawings and construct campground addition.
(13) Item 3790-301-742(3), Budget Act of 1984, Santa Monica Mountains—day use and camping.

952—State Park Contingent Fund

(1) Item 3790-301-952(e), Budget Act of 1982, Reimbursements—Federal Land and Water Conservation Fund.

Item Amount

(2) Item 3790-301-952(f), Budget Act of 1982, Petrified Forest Project—acquisition.

3790-491—Reappropriation, Department of Parks and Recreation. Notwithstanding any other provisions of law, the undisbursed balances, on the effective date of this act, of the appropriations provided in the following citations, are reappropriated for the purposes (and subject to the limitations unless otherwise specified) provided for in such appropriations, and shall be available for expenditure until June 30, 1987.

036—Special Account for Capital Outlay

(1) Item 3790-101-036(1), Budget Act of 1985, as amended by Chapter 927, Statutes of 1985, East Bay Regional Park District, Pereira Property.

140—California Environmental License Plate Fund

(1) Item 3790-101-140(1), Budget Act of 1985, City of Walnut Creek, Alexander Lindsay Junior Museum Association.

(2) Item 3790-101-140(7), Budget Act of 1985, County of Sacramento, American River Parkway—acquisition.

(3) Item 3790-101-140(8), Budget Act of 1985, County of Sacramento, Morrison Creek—acquisition.

263—Off-Highway Vehicle Fund

(1) Item 228(g), Budget Act of 1977, County of Sacramento, Off-Road Vehicle Park Development Phase I.

(2) Item 228(i), Budget Act of 1977, County of Los Angeles, Rowher Flats Off-Highway Vehicle Park Project Phase I.

(3) Chapter 759, Statutes of 1979, County of Riverside, De Anza Motorcycle Park.

(4) Item 235.2(a), Budget Act of 1979, U.S. Forest Service, Los Padres National Forest OHV facilities.

(5) Item 235.2(d), Budget Act of 1979, Bureau of Land Management, Riverside District OHV facilities.

(6) Item 260.1(b), Budget Act of 1980, County of Sacramento, Prairie City.

(7) Item 260.1(d), Budget Act of 1980, County of San Bernardino, Glen Helen Off-Highway Vehicle Park.

Item	Amount
(8) Item 260.1(f), Budget Act of 1980, County of Stanislaus, Frank Raines Off-Highway Vehicle Park.	
(9) Item 260.1(i), Budget Act of 1980, U.S. Forest Service, Lake Tahoe Basin Management Unit, OHV facilities.	
(10) Item 260.1(j), Budget Act of 1980, U.S. Forest Service, Inyo National Forest OHV facilities.	
(11) Item 260.1(k), Budget Act of 1980, U.S. Forest Service, El Dorado National Forest OHV facilities.	
(12) Item 260.1(m), Budget Act of 1980, U.S. Forest Service, Cleveland National Forest OHV facilities.	
(13) Item 260.1(o), Budget Act of 1980, Bureau of Land Management, Folsom District OHV facilities.	
(14) Item 260.1(q), Budget Act of 1980, Bureau of Land Management, Ukiah District OHV facilities.	
(15) Item 260.1(r), Budget Act of 1980, Bureau of Land Management, Riverside District OHV facilities.	
(16) Item 379-101-263(c), Budget Act of 1981, City of Porterville, Porterville Regional OHV Park.	
(17) Item 379-101-263(e), Budget Act of 1981, County of Santa Clara, Motorcycle Park.	
(18) Item 379-101-263(h), Budget Act of 1981, U.S. Forest Service, Los Padres National Forest.	
(19) Item 3790-101-263(f), Budget Act of 1982, County of Sierra, Sierra County Snowmobile Park.	
(20) Item 3790-101-263(b), Budget Act of 1983, City of Ridgecrest, Ridgecrest Regional OHV Park.	
(21) Item 3790-101-263(d), Budget Act of 1983, County of Santa Clara, Motorcycle Park.	
(22) Item 3790-101-263(f), Budget Act of 1983, Bureau of Land Management, Ukiah District.	
(23) Item 3790-101-263(g), Budget Act of 1983, Angeles National Forest.	
(24) Item 3790-101-263(m), Budget Act of 1983, Sequoia National Forest.	
(25) Item 3790-101-263(p), Budget Act of 1983, Stanislaus National Forest.	

Item Amount

(26) Item 3790-101-263(q), Budget Act of 1983, Tahoe National Forest.

721—Parklands Fund of 1980

(1) Item 379-101-721(c)(226), Budget Act of 1981, City of Greenfield, Greenfield Parkland.

(2) Item 379-101-721(c)(483), Budget Act of 1981, Weaverville-Douglas City Recreation District, Lee Fong Park.

742—State, Urban, and Coastal Park Fund

(2) Item 3790-101-742(b)(20), Budget Act of 1983, Town of Hillsborough, Hillsborough Recreation Facilities.

3790-495—Reversion, Department of Parks and Recreation. As of June 30, 1986, the unencumbered balance of the appropriations provided in the following citations shall revert to the unappropriated surplus of the fund from which the appropriation was made:

036—Special Account for Capital Outlay:

(1) Item 3790-301-036(4), Budget Act of 1984, China Camp SP—working drawings and construct sewer system.

(2) Item 3790-301-036(9), Budget Act of 1984, Fort Ross SHP—working drawings and construct campground rehabilitation.

(3) Item 3790-301-036(14), Budget Act of 1984, Indio Hills Palms—acquisition.

(4) Item 3790-301-036(16), Budget Act of 1984, Malakoff Diggins SHP—sediment runoff study.

(5) Item 3790-301-036(17)(d), Budget Act of 1984, Statewide minor projects.

(6) Item 3790-301-036(18), Budget Act of 1984, Mokelumne River Project—acquisition.

(7) Item 3790-301-036(18.5), Budget Act of 1984, Motion Picture Museum—site selection study.

(8) Item 3790-301-036(19), Budget Act of 1984, Mount San Jacinto—acquisition.

(9) Item 3790-301-036(23), Budget Act of 1984, San Diego Coast SB—construct day use parking and rehabilitation.

(10) Item 3790-301-036(24), Budget Act of 1984, San Mateo Coast SB—construct access improvements.

(11) Item 3790-301-036(27), Budget Act of 1984, Statewide storm damage repairs.

Item	Amount

(12) Item 3790-301-036(29)(b), Budget Act of 1984, Manresa SB—repair and resurface parking lot.

(12.5) Item 3790-301-036(29)(c), Budget Act of 1984, El Capitan SB—replacement of water lines.

(13) Item 3790-301-036(30), Budget Act of 1984, Woodson Bridge SRA—erosion control study.

(14) Item 3790-301-036(3), Budget Act of 1985, 90.RS.600—Design and construction planning.

(15) Item 3790-301-036(9), Budget Act of 1985, 90.RS.200—Minor projects, (a) Accessibility expansion, (b) Energy efficiency program.

(16) Item 3790-301-036(12), Budget Act of 1985, 90.RS.600—Preliminary planning.

(17) Item 3790-301-036(12.5), Budget Act of 1985, 90.99.100—San Luis Reservoir SRA—Family Campground and Day Use Area—facility development.

(18) Item 3790-301-036(18), Budget Act of 1985, 90.CO.400—Wilder Ranch SP—Scaroni Ranch acquisition.

140—California Environmental License Plate Fund:

(1) Item 3790-301-140(2), Budget Act of 1984, South Yuba Independence Trail—acquisition.

263—Off-Highway Vehicle Fund:

(1) Item 403.5(b), Budget Act of 1977, Hungry Valley SVRA—planning and operations.

(2) Item 466(a), Budget Act of 1979, Pismo Dunes SVRA—acquisition.

(3) Section 6(a), Chapter 809, Statutes of 1980, Auburn Reservoir Off-Highway Vehicle Project—working drawings and construction, except that the amount to be reverted shall be limited to $252,000.

(4) Item 3790-301-263(a), Budget Act of 1982, Hungry Valley SVRA—Equip off-highway vehicle area.

(5) Item 3790-301-263(b), Budget Act of 1983, Pismo Dunes SVRA, dune revegetation and stabilization—working drawings and construction, except that the amount to be reverted shall be limited to $1,000,000.

Item Amount

(6) Item 3790-301-263(e), Budget Act of 1983, Ocotillo Wells SVRA—initial development—working drawings and construction.
(7) Item 3790-301-263(f), Budget Act of 1983, Hollister Hills SVRA—facilities development and construction, except that the amount to be reverted shall be limited to $250,000.
(8) Item 3790-301-263(g), Budget Act of 1983, Minor projects.
(9) Item 3790-301-263(1), Budget Act of 1984, Carnegie SVRA—construct initial development, except that the amount to be reverted shall be limited to $2,000,000.
(10) Item 3790-301-263(5), Budget Act of 1984, Preliminary planning.
(11) Item 3790-301-263(7) Budget Act of 1985, 90.RS.400—Pre-budget appraisals.

392—State Park and Recreation Fund:
(1) Item 379-301-392(z), Budget Act of 1981, Railtown—acquisition, working drawings, and construction.
(2) Section 8, Chapter 1421, Statutes of 1982, Malibu Bluffs project—development.
(3) Item 3790-301-392(n), Budget Act of 1983, statewide storm damage.
(4) Item 3790-301-392(r), Budget Act of 1983, El Presidio de Santa Barbara—option or acquisition.

721—Parklands Fund of 1980:
(1) Item 379-301-721(m), Budget Act of 1981, Verdugo Hills—acquisition.
(2) Item 379-301-721(p), Budget Act of 1981, Folsom Lake SRA—Construction of day use facilities at Beale Point.
(3) Item 379-301-721(r), Budget Act of 1981, Angel Island SP—Construction of day use facilities.
(4) Item 3790-301-721(a), Budget Act of 1982, American River Bikeway Project—working drawings and construction—Phase II.
(5) Item 3790-301-721(b), Budget Act of 1982, Angel Island SP—working drawings for restoration.
(6) Item 3790-301-721(e), Budget Act of 1982, China Camp SP—working drawings and construct village restoration.
(7) Item 3790-301-721(i), Budget Act of 1982, Fort Humboldt SHP—restoration.

Item — Amount

(8) Item 3790-301-721(j), Budget Act of 1982, Humboldt Redwoods SP—bank protection study.
(9) Item 3790-301-721(k), Budget Act of 1982, Huntington SB—working drawings and construct day use, parking, and rehabilitation—Phase I.
(10) Item 3790-301-721(p), Budget Act of 1982, Notleys Landing—acquisition.
(11) Item 3790-301-721(u), Budget Act of 1982, Schooner Gulch Project—acquisition.
(12) Item 3790-301-721(gg), Budget Act of 1982, Monterey SHP—continuing restoration of Cooper-Molera Adobe.
(13) Item 3790-301-721(ii), Budget Act of 1982, San Onofre State Beach—working drawings and construct parcel 1 camping.
(14) Item 3790-301-721(jj), Budget Act of 1982, Reimbursements.
(15) Item 3790-301-721(pp), Budget Act of 1982, Mt. Tamalpais SP—Hostel facilities—Kent Canyon Hostel.
(16) Item 3790-301-721(tt), Budget Act of 1982, Big Sur Project—acquisition.
(17) Item 3790-301-721(ww), Budget Act of 1982, Opportunity purchases.
(18) Item 379-301-721(t), Budget Act of 1981, as added by Section 2, Chapter 1560, Statutes of 1982, Candlestick SRA—construction.
(19) Item 3790-301-721(a), Budget Act of 1983, Angel Island SP—restoration and construct day use facilities.
(20) Item 3790-301-721(m)(2), Budget Act of 1983, Minor projects—enroute camping.
(21) Item 3790-301-721(m)(4), Budget Act of 1983, Minor projects—Retrofit visitor services facilities.
(22) Item 3790-301-721(p), Budget Act of 1983, Angel Island SP—construct sewage system.
(23) Item 3790-301-721(s), Budget Act of 1983, Chino Hills Project—acquisition.
(24) Item 3790-301-721(1), Budget Act of 1985, 90.RS.600—Design and construction planning.

722—Parklands Fund of 1984:

(1) Item 3790-301-722(22), Budget Act of 1984, Preliminary planning.

Item Amount

(2) Item 3790-301-722(26) (c), Budget Act of 1984, Statewide acquisition costs—In-holdings.
(3) Item 3790-301-722(26) (d), Budget Act of 1984, Statewide acquisition cost—Opportunity purchases.
(4) Item 3790-301-722(2), Budget Act of 1985, 90.RS.600—Preliminary planning.
(5) Item 3790-301-722(4), Budget Act of 1985, 90.6C.400.85, Año Nuevo SR—Cascade Ranch acquisition.
(6) Item 3790-301-722(10), Budget Act of 1985, 90.E4.400.85, Chino Hills SP—acquisition.
(7) Item 3790-301-722(11), Budget Act of 1985, 90.62.400.85, Clear Lake SP—acquisition.
(8) Item 3790-301-722(13), Budget Act of 1985, 90.RS.600.852—Design and construction planning.
(9) Item 3790-301-722(18.2), Budget Act of 1985, 90.F6.400.851—Los Encinos SHP—Indian Artifact Museum, feasibility study.
(10) Item 3790-301-722(22), Budget Act of 1985, 90.AC.100.85—Old Sacramento SHP—Planning and working drawings for waterfront.
(11) Item 3790-301-722(35), Budget Act of 1985, 90.EX.100.85—Santa Monica Mountains (Malibu Creek SP)—Working drawings and equipment.
(12) Item 3790-301-722(42), Budget Act of 1985, 90.6V.400.85, Sugarloaf Ridge SP—acquisition.

728—Recreation and Fish and Wildlife Enhancement Fund:

(1) Item 3790-301-728(1), Budget Act of 1985, 90.RS.600—Design and construction planning.
(2) Item 3790-301-728(a), Budget Act of 1982, Lake Perris SRA—Continuing recreation development—construction.

732—State Beach, Park Recreational and Historical Facilities Fund of 1964:

(1) Item 403.1J(a), Budget Act of 1976, as added by Chapter 1379, Statutes of 1976, Delta Meadows —land acquisition.

733—State Beach, Park, Recreational and Historical Facilities Bond Act of 1974:

(1) Item 503(d), Budget Act of 1978, Monterey SHP—Cooper-Molera restoration.

Item Amount

(2) Item 3790-301-733(1), Budget Act of 1985, 90.RS.600—Design and construction planning.

742—State Urban and Coastal Park Fund:

(1) Item 508(d), Budget Act of 1979, Little Sur River—acquisition.

(2) Item 585(b), Budget Act of 1980, Candlestick Point SRA—day use, construction.

(3) Item 3790-301-742(c), Budget Act of 1982, as added by Section 8, Chapter 1617, Statutes of 1982, Big Sur coast area—acquisition (willing sellers only).

(4) Item 3790-301-742(b), Budget Act of 1983, Huntington SB—reconstruction, phase II.

(5) Item 3790-301-742(e), Budget Act of 1983, Malibu Canyon Project—acquisition.

(6) Item 3790-301-742(g), Budget Act of 1983, Federal Trust Reimbursement (Jobs Bill)—Huntington SB Category (B).

(7) Item 3790-301-742(1), Budget Act of 1985, 90.RS.600—Design and construction planning.

952—State Park Contingent Fund:

(1) Item 3790-301-952(b), Budget Act of 1983, Castle Rock SP—acquisition.

(2) Item 3790-301-952(d), Budget Act of 1983, Amount payable from the Federal Trust Fund.

(3) Item 3790-301-952(f), Budget Act of 1983, Amount payable from reimbursement (private donations).

(4) Item 3790-301-952(g), Budget Act of 1983, Hearst SHM—continuing rehabilitation (Balustrade).

(5) Item 3790-301-952(h), Budget Act of 1983, Mount Diablo SP—acquisition.

3790-496—Reversion, Department of Parks and Recreation. As of June 30, 1986, the unencumbered balance of the appropriations provided in the following citations shall revert to the unappropriated surplus of the fund from which the appropriation was made.

263—Off-Highway Vehicle Fund

(1) Item 3790-101-263(c), Budget Act of 1982, County of Madera, Lake Madera OHV Project.

(2) Item 3790-101-263(g), Budget Act of 1982, County of Sonoma, Sears Point Cycle Park.

721—Parklands Fund of 1980

(0.5) Item 379-101-721(c)(107), Budget Act of 1981, City of Arvin, Smotherman Park.

Item Amount

(1) Item 379-101-721(c) (143), Budget Act of 1981, City of Duarte, Encanto Park.
(2) Item 379-101-721(c) (175), Budget Act of 1981, County of Los Angeles, Diamond Bar Park #3.
(3) Item 379-101-721(c) (178), Budget Act of 1981, County of Los Angeles, Malibu Beaches.
(4) Item 379-101-721(c) (182), Budget Act of 1981, County of Los Angeles, Sumac Park.
(5) Item 3790-101-721(b) (74), Budget Act of 1982, City of Tustin, Tustin Recreation Facilities.
(6) Item 3790-101-721(b) (115), Budget Act of 1982, City of San Carlos, Arguello Park.
(7) Item 3790-101-721(b) (48), Budget Act of 1983, City of Tustin, Tustin Recreation Facilities.
(8) Item 3790-101-721(b)(48.5), Budget Act of 1983, Silverado-Modjeska, RPD, Modjeska Community Park.

742—State Urban and Coastal Park Fund
(1) Item 513 (36.2), Budget Act of 1979, City of Ridgecrest, Hellmers Park.
(2) Item 3790-101-742(b) (19), Budget Act of 1983, City of Half Moon Bay, Cassinelli Community Park.

3810-001-001—For support of the Santa Monica Mountains Conservancy 348,000
Schedule:
(a) 100000-Personal Services 398,000
(b) 300000-Operating Expenses and Equipment 301,000
(c) Reimbursements ..... −40,000
(d) Amount payable from the Santa Monica Mountains Conservancy Fund (Item 3810-011-941) ..... −311,000

3810-011-941—For support of the Santa Monica Mountains Conservancy, for transfer to Item 3810-001-001, payable from the Santa Monica Mountains Conservancy Fund 311,000
Provisions:
1. It is the intent of the Legislature that $100,000 of the funds appropriated by this item shall be used for enhanced security for properties owned or managed by the Conservancy. It is further the intent of the Legislature that (1) the Department of General Services approve the necessary interagency agreements in an expeditious manner and (2) personnel be added as necessary to provide security services, rather than be redirected from other activities.

Item Amount

2. Funds appropriated from the Santa Monica Mountains Conservancy Fund pursuant to this act shall be used in the following priority order:
   (a) $211,000 appropriated by this item for support of the conservancy during the 1986–87 fiscal year.
   (b) $100,000 appropriated by this item for security on lands owned or managed by the conservancy during the 1986–87 fiscal year.
   (c) The unexpended balance of any capital outlay appropriations from the Santa Monica Mountains Conservancy Fund that remain effective in the 1986–87 fiscal year.

3810-101-140—For local assistance, Santa Monica Mountains Conservancy, payable from the California Environmental License Plate Fund 1,000,000

Schedule:

(1) 15.10.100-Grants pursuant to Section 33204.2 of the Public Resources Code, including state administrative costs 1,000,000

Provisions:

1. No grants shall be encumbered in advance of approval of nonprofit organization grants by the Department of General Services and reporting of such grants to the Department of Finance pursuant to Section 33204.2 of the Public Resources Code.

3810-301-140—For capital outlay and local assistance, Santa Monica Mountains Conservancy, payable from the California Environmental License Plate Fund 347,000

Schedule:

(1) 20.10.015-Appraisals, project planning and design 10,000
(2) 20.10.105-Cherry Canyon—Phase II acquisition 337,000

Provisions:

(1) The funds appropriated in schedule (2) for Cherry Canyon Phase II acquisition are for a local assistance grant to the City of La Canada-Flintridge, provided that the city agrees to assume all operation and maintenance costs of the property.

Item		Amount
(2) No funds appropriated in schedule (2) shall be expended unless and until local sources contribute a minimum of $179,000 toward the purchase price of the property.		
3810-301-784—For Capital Outlay, Santa Monica Mountains Conservancy, payable from the Santa Monica Mountains Conservancy Fund of 1986		4,000,000
Schedule:		
(1) 20.10.015.861-Appraisals, project planning and design for Inner Valley Ranch acquisition	15,000	
(2) 20.10.210-Inner Valley Ranch-acquisition	1,985,000	
(3) 20.10.220-Runyon Canyon project-acquisition	2,000,000	
Provisions:		
1. No funds appropriated in category (2) for the Inner Valley Ranch Project shall be expended unless and until the City of Glendale provides matching funds. Prior to the expenditure of funds appropriated in category (2) for the Inner Valley Ranch Project, the City of Glendale shall agree to provide full operation and maintenance of the property.		
3810-301-941—For Capital Outlay, Santa Monica Mountains Conservancy, payable from the Santa Monica Mountains Conservancy Fund		232,000
Schedule:		
(1) 20.10.230-Hunter Ranch Project—improvements	232,000	
Provisions:		
1. Funds appropriated in category (1) are for improvements to the Hunter Ranch project pursuant to Section 13, Chapter 1616, Statutes of 1982, and an interagency agreement between the Department of Parks and Recreation and the Santa Monica Mountains Conservancy. The Santa Monica Mountains Conservancy, acting through its executive director, shall be the lead agency in the development and approval of facilities at Hunter Ranch pursuant to Section 13, Chapter 1616, Statutes of 1982, and the executive director of the conservancy shall certify environmental documents pursuant to the California Environmental Quality Act.		

Item		Amount
3810-490—Reappropriation, Santa Monica Mountains Conservancy. Notwithstanding any other provisions of law, the unencumbered balances, on the effective date of this act, of the appropriations provided in the following citations, are reappropriated for the purposes (and subject to the limitations unless otherwise specified) provided for in such appropriations, and shall be available for expenditure until June 30, 1987.		
036-Special Account for Capital Outlay		
(1) Item 3810-301-036(2), Budget Act of 1985, Cherry Canyon—Property options, acquisition; provided that an amount not to exceed $200,000 only is reappropriated and is available for expenditure for the acquisition of Cherry Canyon—Phase II acquisition.		
722-Parklands Fund of 1984		
(1) Item 3810-301-722(a), Budget Act of 1985: 20.10.010—Project Planning and Design.		
3820-001-001—For support of San Francisco Bay Conservation and Development Commission		1,492,000
Schedule:		
(a) 10-Bay Conservation and Development	1,692,000	
(b) Reimbursements	−200,000	
3860-001-001—For support of Department of Water Resources		30,065,000
Schedule:		
(a) 10-Continuing Formulation of the California Water Plan	14,134,000	
(b) 20-Implementation of the State Water Resources Development System	426,000	
(c) 30-Public Safety and Prevention of Damage	17,413,000	
(d) 40-Services	4,385,000	
(e) 50.01-Management and Administration	30,927,000	
(f) 50.02-Distributed Management and Administration	−30,927,000	
(g) Reimbursements	−6,293,000	

Item Amount

Provisions:

1. The amounts appropriated in Items 3860-001-001 to 3860-001-940, inclusive, shall be transferred to the Water Resources Revolving Fund (691) for direct expenditure in such amounts as the Department of Finance may authorize, including cooperative work with other agencies. The money so transferred shall be placed in a special account in that fund and shall not be available for expenditure after June 30, 1987. Any unencumbered balances shall be returned to the appropriate funds as of June 30, 1987. Expenditures for technical services and general management charged to programs from all support appropriations for the Department of Water Resources in this act shall not exceed $24,582,000 and $12,623,000, respectively, without prior approval of the Department of Finance.
2. None of the funds appropriated by this item shall be encumbered or expended for the Grasslands Water District Facility Improvement Project until the Director of Water Resources certifies to the Controller that commitments have been received from local agencies that they will provide at least 10 percent of the total project costs.

   It is the intent of the Legislature that the Grasslands Water District Facility Improvement Project be completed in the 1986–87 fiscal year.

   Due to the state interest in protecting the wetlands in the Grasslands Water District, the Department of Water Resources shall try to ensure that the area affected by this project is maintained as wetlands, acceptable to the Department of Fish and Game, for at least 10 years.
3. Prior to expenditure of $145,000 appropriated by this item for increased groundwater monitoring, the Department of Water Resources shall have its plan for groundwater monitoring reviewed by the Interagency Task Force on Groundwater Strategy.

3860-001-140—For support of Department of Water Resources, payable from the California Environmental License Plate Fund 450,000

Item	Amount
Provisions:	
1. Provision 1 of Item 3860-001-001 shall also be applicable to this item.	
3860-001-144—For support of Department of Water Resources, payable from the California Water Fund	2,449,000
3860-001-740—For support of Department of Water Resources, payable from the 1984 State Clean Water Bond Fund	216,000
Provisions:	
1. Provision 1 of Item 3860-001-001 shall also be applicable to this item.	
3860-001-890—For support of Department of Water Resources, payable from the Federal Trust Fund	6,780,000
Provisions:	
1. Provision 1 of Item 3860-001-001 shall also be applicable to this item.	
2. Of the amount appropriated by this item, $6,000,000 shall be available for sediment removal projects and shall be available for expenditure only upon review and approval of the projects by the Department of Fish and Game.	
3860-001-940—For support of Department of Water Resources, payable from the Renewable Resources Investment Fund	1,361,000
Provisions:	
1. Provision 1 of Item 3860-001-001 shall also be applicable to this item.	
3860-101-001—For local assistance, Department of Water Resources, Program 30—Public Safety and Prevention of Damage	1,700,000
Schedule:	
(a) Delta Levee Subventions 1,700,000	
Provisions:	
1. No costs incurred for maintenance or improvement shall be reimbursed from the appropriation in category (a) of this item if the entire cost incurred per mile of levee is $1,000 or less. Up to 50 percent of any costs incurred in excess of $1,000 per mile shall be reimbursed. No funds appropriated by this item shall be expended for the purposes of the item unless a nonstate entity provides hold harmless assurances to the State of California for the work which would be done with such funds.	
3860-101-036—For local assistance, Department of Water Resources, payable from the Special Account for Capital Outlay	11,400,000

Item		Amount
	Schedule:	
	(a) Flood Control Subventions	11,400,000
	Provision:	
	1. The funds appropriated in category (a) of this item shall be available for partial payment (90 percent of the amount recommended by the Department of Water Resources) of claims for reimbursement following a completed engineering review by the Department of Water Resources. The remaining portion of the claims shall be paid after an audit has been completed by the Controller's office. Funds available in this item shall be available in the final quarter of the fiscal year for payment of advance claims only after the necessary funds are first committed to paying reimbursement claims that will be ready for payment in 1986–87. No expenditures shall be made until the local organization give assurances that they will maintain and operate the projects after completion in a manner which will accomplish the purposes for which the projects were authorized and constructed and as may be required by the federal agencies concerned and the Department of Water Resources, and that the local organizations will hold and save the State of California free from damages or claims due to the construction, installation, or operation and maintenance of the project.	
	2. The funds appropriated in category (a) of this item are for expenditure by the Department of Water Resources, in accordance with Chapters 1 (commencing with Section 12570), 2 (commencing with Section 12639), 3 (commencing with Section 12800), 3.5 (commencing with Section 12840), and 4 (commencing with Section 12850) of Part 6 of Division 6 of the Water Code, for payment of, and for reimbursement for necessary advances made for, the cost of cooperation by the state for major flood control projects adopted by the Legislature, for small flood control projects approved under Section 12750 of the Water Code, and for watershed protection and flood prevention projects as authorized pursuant to Chapter 4 (commencing with Section 12850) of Part 6 of Division 6 of the Water Code, and administrative costs.	

Item		Amount
3860-101-740—For local assistance, Department of Water Resources, payable from the 1984 State Clean Water Bond Fund		10,000,000
3860-101-890—For local assistance, Department of Water Resources, payable from the Federal Trust Fund		300,000
3860-301-140—For Capital Outlay, Department of Water Resources, payable from the Environmental License Plate Fund		100,000
Schedule:		
(1) 30.95.025—Sacramento-San Joaquin River Riparian Vegetation ..	100,000	
3860-301-890—For Capital Outlay, Department of Water Resources, payable from the Federal Trust Fund		5,192,000
Schedule:		
(1) 30.90.040.000—Minor Capital Outlay	32,000	
(2) 30.95.010.000—Sacramento-San Joaquin Riverbank Protection Program	1,300,000	
(3) 30.95.015.000—Fairfield Stream Group Project	2,200,000	
(4) 30.95.050.000—Butte Basin Flood Control	1,400,000	
(5) 30.95.060.000—Knights Landing Outfall Gates—Working Drawings and Construction	260,000	
Provisions:		
1. The amount appropriated in category (2) of this item is for acquisition of land, easements, and rights-of-way, including, but not limited to, borrow pit, soil areas, and easements for levees, clearing, flood control works, and flowage, and for appraisals, surveys, and engineering studies necessary for the completion or operation of the projects in the Sacramento and San Joaquin watersheds as authorized by Section 8617.1 and Chapters 1 (commencing with Section 12570), 2 (commencing with Section 12639), 3 (commencing with Section 12800), 3.5 (commencing with Section 12840), and 4 (commencing with Section 12850) of Part 6 of Division 6 of the Water Code; and for advances to the federal government or payments to the federal government or others for incidental construction or reconstruction items which are an obliga-		

Item Amount

tion of the state in connection with the completion or operation of the projects and for materials and necessary construction, reconstruction, relocation, or alterations to highways, railroads, bridges, powerlines, communication lines, pipelines, irrigation works, and other structures and facilities and for appraisals, surveys, and engineering studies incidental thereto.

2. The funds appropriated in categories (1) and (5) of this item include funding for preliminary plans, working drawings, construction supervision, contract administration, and other work activities to be performed by Department of Water Resources personnel in completion of the projects.
3. Notwithstanding the provisions of Section 2.00, the amounts appropriated in this item, except for category (5), shall be available for expenditure only during the 1986–87 fiscal year.
4. Notwithstanding the provisions of Section 6.50, funds may be transferred, with the approval of the Department of Finance, between categories (2), (3), and (4). The Director of Finance shall notify, in writing, the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, 30 days or such lesser time as the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may determine, prior to any such transfer.
5. Any assurance agreement signed by the Reclamation Board and the United States Army Corps of Engineers for snagging and clearing work on the San Joaquin River shall include a plan for financing all of the required mitigation, including the objective of new long-term enhancement, as provided in Chapter 1530 of the Statutes of 1984. This financing plan shall establish whether federal, state, and/or local funds and resources shall be used to pay for each cost associated with providing the required mitigation, as set forth above, the amount that each source will be responsible for providing, and a schedule establishing when these funds and resources are to be made available.

   The assurance agreement shall also provide that the required mitigation work, where possi-

Item Amount

ble, shall proceed concurrently with the project implementation. The Director of the Department of Water Resources shall certify the adequacy of this financing plan. The certified financing plan shall be transmitted to the Legislature at least 30 days prior to any assurance agreement being signed.

The Department of Fish and Game shall monitor and report to the Legislature on the implementation and effectiveness of the mitigation plan.

6. (a) Any assurance agreement entered into between the Secretary of the Army and the Reclamation Board for the Chico Landing to Red Bluff project shall provide for full mitigation of the impacts of the project on riparian habitat, wildlife, and fisheries.

(b) Prior to entering into the assurance agreement, the Reclamation Board shall enter into an agreement with the Department of Fish and Game that will provide for full mitigation of the impacts of the project on riparian habitat, wildlife, and fisheries. This agreement shall, at a minimum, provide for the approval of the Department of Fish and Game of the mitigation plan's design, implementation, and effectiveness.

(c) The assurance agreement shall also provide for the implementation and funding of the measures specified in the agreement between the Department of Fish and Game and the Reclamation Board.

7. The Department of Water Resources shall provide, at the time of the release of the final environmental impact report for the Chico Landing to Red Bluff project, a detailed plan for funding the suggested mitigation measures contained in the environmental impact report.

3860-490—Reappropriation, Department of Water Resources. Notwithstanding any other provisions of law, the unencumbered balances, on the effective date of this act, of the appropriations provided in the following citations, are reappropriated for the purposes provided for in the appropriations, and shall be available for expenditure until June 30, 1987.

036—Special Account for Capital Outlay

0 40 3630 0

Item		Amount
(1) Item 3860-301-036 (3), Budget Act of 1984, as reappropriated by Item 3860-490, Budget Act of 1985, Fairfield Stream Group Project.		
(2) Item 3860-301-036 (3), Budget Act of 1985, Merced Stream Channel Improvement.		
Provisions:		
1. Notwithstanding the provisions of Section 6.50, funds may be transferred, with the approval of the Department of Finance, between the projects specified in this item. The Director of Finance shall notify, in writing, the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, 30 days or such lesser time as the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may determine, prior to any such transfer.		
2. Notwithstanding the provisions of Section 28.00, funds may be transferred, with the approval of the Department of Finance, between the projects specified in this item and projects specified in categories (2), (3), and (4) of Item 3860-301-890 of this act. The Director of Finance shall notify, in writing, the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, 30 days or such lesser time as the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may determine, prior to any such transfer.		
3940-001-001—For support of State Water Resources Control Board		35,621,000
Schedule:		
(a) 10-Water Quality	63,305,000	
(b) 20-Water Rights	6,912,000	
(c) 30.01-Administration	6,790,000	
(d) 30.02-Distributed Administration	−6,790,000	
(e) Reimbursements	−2,679,000	
(f) Amount payable from the Hazardous Waste Control Account, General Fund (Item 3940-001-014)	−553,000	
(g) Amount payable from the Underground Storage Tank Fund (Item 3940-001-475)	−1,149,000	

Item		Amount
(h)	Amount payable from the Underground Container Inventory Account, General Fund (Item 3940-001-476)	−10,000
(i)	Amount payable from the Surface Impoundment Assessment Account, General Fund (Item 3940-001-482)	−3,457,000
(j)	Amount payable from the 1984 State Clean Water Bond Fund (Item 3940-001-740)	−423,000
(k)	Amount payable from the Federal Trust Fund (Item 3940-001-890)	−17,862,000
(*l*)	Amount payable from the General Fund (Item 3940-012-001)	−7,698,000
(m)	Amount payable from the General Fund (Item 3940-013-001)	−600,000
(n)	Amount payable from the General Fund (Item 3940-014-001)	−2,708,000
(o)	Amount payable from the California Environmental License Plate Fund (Item 3940-001-140)	−165,000

Provisions:

1. The State Water Resources Control Board shall revise its schedule for updating waste discharge requirements so that these requirements for (1) discharges that pose an immediate or major threat to public water supplies, water contact recreation, or fish and aquatic habitats will be updated once every three years and (2) discharges that pose an immediate and major threat to industrial and/or agricultural water supplies and discharges that pose a significant threat to beneficial uses of water will be updated once every five years.
2. The State Water Resources Control Board shall not expend any reimbursements from waste discharge fees in excess of $686,000, the scheduled amount, prior to 30 days written notification to the chairpersons of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may determine.

Item Amount

3. The State Water Resources Control Board shall not obstruct, delay, or in any way hinder the regional water quality control boards from providing public information to the Legislature.
4. Of the funds provided in this item, $50,000 shall be for a study of the management, disposal regulation, and cleanup of mine tailings in California. The State Water Resources Control Board shall not encumber any of this $50,000 until the mining industry provides 100 percent matching funds for this study.

3940-001-014—For support of State Water Resources Control Board, for transfer to Item 3940-001-001, payable from the Hazardous Waste Control Account, General Fund 553,000

3940-001-140—For support of State Water Resources Control Board, for transfer to Item 3940-001-001, payable from the California Environmental License Plate Fund 165,000

Provisions:

1. Funds appropriated by this item shall be used for a study of toxic pollution in San Diego Bay. Funds appropriated by this item shall not be encumbered or expended sooner than 30 days after the board submits an expenditure plan, in writing, to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the Chairperson of the Joint Committee, or his or her designee, may determine.

3940-001-475—For support of State Water Resources Control Board, for transfer to Item 3940-001-001, payable from the Underground Storage Tank Fund 1,149,000

Provisions:

1. Pursuant to subdivision (b) of Section 25283.3 of the Health and Safety Code, the Legislature hereby determines that the surcharge to be included in the fee paid to a local agency by each person who submits an application for a permit to operate an underground storage tank shall be $56 per tank, during the 1986–87 fiscal year. This surcharge shall be transmitted to the State Water Resources Control Board and deposited in this Underground Storage Tank Fund.

Item	Amount
3940-001-476—For support of State Water Resources Control Board, for transfer to Item 3940-001-001, payable from the Underground Container Inventory Account, General Fund	10,000
3940-001-482—For support of State Water Resources Control Board, for transfer to Item 3940-001-001, payable from the Surface Impoundment Assessment Account, General Fund	3,457,000
3940-001-740—For support of State Water Resources Control Board, for transfer to Item 3940-001-001, payable from the 1984 State Clean Water Bond Fund	423,000
3940-001-890—For support of State Water Resources Control Board, for transfer to Item 3940-001-001, payable from the Federal Trust Fund	17,862,000
3940-012-001—For support of State Water Resources Control Board, for transfer to Item 3940-001-001, payable from the General Fund, for 204.4 personnel-years of staff to expand and implement a program to investigate underground tank leaks and to oversee and supervise the cleanup of these leaks	7,698,000
Provisions:	
1. The State Water Resources Control Board may use any portion of the amount appropriated by this item for contracts with local agencies for cleanup oversight or related enforcement activities. The state board shall adopt guidelines and procedures which accomplish all of the following: (1) specifying requirements for the contents of contract proposals to insure that there is statewide consistency in program implementation, including investigation and enforcement activities and cleanup standards; (2) assuring that the cost of contracting does not exceed the cost of direct state program implementation; and (3) assuring that the costs incurred by the state board and local agencies are recovered from the responsible parties to the maximum extent possible.	
3940-013-001—For support of State Water Resources Control Board, for transfer to Item 3940-001-001, payable from the General Fund, for 12 personnel-years of technical staff for investigation of facilities which have not yet complied with the provisions of the Toxic Pits Cleanup Act of 1984, Article 9.5 (commencing with Section 25208) of Chapter 6.5 of Division 20 of the Health and Safety Code	600,000

Item		Amount
Provisions:		
1. The State Water Resources Control Board shall seek payment for the state's costs from owners of existing facilities brought into the toxic pits program during the 1986–87 fiscal year, to the extent possible, and remit these moneys to the General Fund.		
3940-101-890—For local assistance, State Water Resources Control Board, Program 10, Water Quality, payable from the Federal Trust Fund		182,000

HEALTH AND WELFARE

4100-001-890—For support of the State Council on Developmental Disabilities, payable from the Federal Trust Fund		3,895,000
Schedule:		
(a) 10-State Council Operations	866,000	
(b) 20-Community Program Development	909,000	
(c) 30-Allocation to Area Boards	2,120,000	
Provision:		
1. In the event federal funds are available to the state council in excess of the amounts appropriated in this item, the additional funds shall be used only for the following purposes, unless the funds are specifically designated by federal law for other purposes.		
(a) To augment the allocation to the Program Development Fund.		
(b) To fund the costs of salary and benefit increases approved by the Legislature that exceed the Budget Act appropriation.		
4110-001-001—For support of Area Boards on Developmental Disabilities		0
Schedule:		
(a) 10-Area Board Services	2,120,000	
(b) Reimbursements	−2,120,000	
4120-001-001—For support of Emergency Medical Services Authority		764,066
Schedule:		
(a) 10-Emergency Medical Services Authority	963,066	
(b) Amount payable from the Federal Trust Fund (Item 4120-001-890)	−178,000	
(c) Reimbursements	−21,000	

Item	Amount
Provisions:	
1. The Emergency Medical Services (EMS) Authority shall use the following guidelines in administering state-funded grants to local agencies: (a) funding eligibility shall be limited to rural multicounty regions that demonstrate a heavy use of the EMS system by nonresidents, (b) local agencies shall provide matching funds of at least $1 for each dollar of state funds received, (c) state funding shall be used to provide only essential minimum services necessary to operate the system, as defined by the authority, (d) no region shall receive both federal and state funds in the same fiscal year for the same purpose, and (e) the authority shall use a competitive process to award the funds and shall monitor the use of the funds by recipients to assure that these funds are used in an appropriate manner.	
4120-001-890—For support of Emergency Medical Services Authority, for transfer to Item 4120-001-001, payable from the Federal Trust Fund	178,000
4120-101-001—For local assistance, Emergency Medical Services Authority, Program 10, grants to local agencies	954,000
Provisions:	
1. Of the amount appropriated by this item, up to $50,000 in additional funds shall be allocated to each of the Inland, North Coast, Northern California, and Sierra-Sacramento Emergency Medical Services Agencies, in accordance with guidelines for state-funded grants to local agencies established by the Emergency Medical Services Authority. The remaining portion of the $200,000, which is not allocated to these agencies, shall revert to the General Fund.	
4120-101-890—For local assistance, Emergency Medical Services Authority Program 10, payable from the Federal Trust Fund	1,685,000
4130-001-632—For support of the Health and Welfare Agency Data Center, payable from the Health and Welfare Agency Data Center Revolving Fund	42,820,000

Item	Amount
Provisions:	
1. Notwithstanding any other provision of law, the Director of Finance may authorize the creation of deficiencies pursuant to Section 11006 of the Government Code, for the purposes of this item, no sooner than 30 days after notification in writing to the chairperson of the fiscal committees and the Chairperson of the Joint Legislative Budget Committee, or no sooner than such lesser time as the chairperson of the committee, or his or her designee, may in each instance determine.	
2. Funds appropriated in this item are in lieu of the amounts which would have otherwise been appropriated pursuant to Section 11755 of the Government Code.	
4140-001-001—For support of Office of Statewide Health Planning and Development	1,037,000
Schedule:	
(a) 100000-Personal Services 11,368,400	
(b) 300000-Operating Expenses and Equipment 11,979,000	
(c) Reimbursements ..... −194,400	
(d) Amount payable from the Hospital Building Account, Architecture Public Building Fund, (Item 4140-001-121) ..... −14,226,000	
(e) Amount payable from the California Health Data and Planning Fund (Item 4140-001-143) ..... −5,627,000	
(f) Amount payable from the Federal Trust Fund (Item 4140-001-890) .. −1,570,000	
(g) Amount payable from the Health Facilities Construction Loan Insurance Fund (Health and Safety Code Section 436.26) ..... −693,000	
Provisions:	
7. The Office of Statewide Planning and Development shall continuously monitor the number of days it utilizes to process plan reviews in the seismic safety program. If the average time for the completion of a project plan review exceeds eight weeks during any 30-consecutive-day period, the office shall submit to the Department of Finance, within 15 days, a request to spend at a rate that would result in a deficiency pursuant to Section 27.00 of this act or a plan to reduce the	

Item Amount

average plan review time to eight weeks within one month. If, after one month from the date of submission of a plan the average review time is not at or below eight weeks, the office shall submit, within 15 days, a deficiency request. In addition, the office shall gather for use in the 1987–88 fiscal year budget such worker productivity data as is necessary to quantify, update, and revise the staffing standards for the professional positions of the seismic safety program.

8. Except as provided in this provision, no funds appropriated by this act or available from any other source shall be expended for the payment of the salary of the Director of the Office of Statewide Health Planning and Development after October 1, 1986, nor shall the person holding that position on April 1, 1986, be entitled to any compensation from any source appropriated by this act for the support of the Office of Statewide Health Planning and Development or for any program administered by the office after October 1, 1986.

The Director of Finance may authorize the payment of the salary of the Director of the Office of Statewide Health Planning and Development for the period October 1, 1986, through June 30, 1987, not sooner than 15 days after notification in writing to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee. As part of the notification, the office shall clearly indicate the significant remedial actions that have been taken to improve and will continue to improve the administration and operation of the office. Specifically, the office shall demonstrate that:

(a) The office has made significant efforts to fill the 33 additional positions authorized by this act for seismic safety review activity. This shall be demonstrated by a report showing the number of positions filled as of August 31, 1986, the number vacant, and a proposal for the timely filling of remaining vacancies;

Item Amount

(b) The office has instituted procedures to continuously monitor the number of days it utilizes to process plan reviews in the seismic safety program using workload standards contained in the report entitled "Evaluation of Workload and Staffing for the Seismic Safety Program;" and

(c) The office has developed a plan by September 1, 1986, assuring that there will be sufficient staff and resources to produce statutorily required publications.

The office shall continuously monitor the number of days it utilizes to process plan reviews in the seismic safety program and shall report monthly to the Legislature, within 60 days of the end of the month, regarding accomplishments of the program relative to the workload standards cited above.

4140-001-121—For support of Office of Statewide Health Planning and Development, for transfer to Item 4140-001-001, payable from the Hospital Building Account, Architecture Public Building Fund 14,226,000

4140-001-143—For support of Office of Statewide Health Planning and Development, for transfer to Item 4140-001-001, payable from the California Health Data and Planning Fund 5,627,000

4140-001-890—For support of Office of Statewide Health Planning and Development, for transfer to Item 4140-001-001, payable from the Federal Trust Fund 1,570,000

4140-101-001—For local assistance, Office of Statewide Health Planning and Development for Health Professions Development (Family Physician Training) 3,380,000

Provisions:

1. Notwithstanding the provisions of Section 2 of this act, or any other provision of law the funds appropriated in this item for contracts with: accredited medical schools, programs which train primary care physician's assistants, hospitals or other health care delivery systems located in California, which meet the standards of the Health Manpower Policy Commission established pursuant to Chapter 1 (commencing with Section 69270) of Part 42 of Division 5 of Title 3 of the Education Code, shall continue to be

Item		Amount

available for fiscal years 1987–88, 1988–89, and 1989–90. The amount appropriated by this item shall only be used for such contracts which commence on or after July 1, 1987.

2. Of the funds appropriated in this item, the office shall allocate $272,000 for competitive awards to increase the number of family physicians trained to meet the expanding health care needs of the aged. These funds shall be allocated by the Health Manpower Policy Commission which shall, in allocating the funds, focus on geriatric family medicine, geriatric cross-cultural medicine, predoctoral geriatric education, and family medicine education.

Of the funds appropriated in this item, the office shall also allocate $114,000 for two new three-year residency positions in rural hospitals and $114,000 for two new three-year residency positions in inner city hospitals. In allocating the funds, the office shall give special attention to the need for training in geriatric family medicine.

4140-490—Reappropriation, Office of Statewide Health Planning and Development. Notwithstanding any other provision of law, up to $350,000 of the unencumbered balance, as of June 30, 1986, of the appropriation made in category (d), Reimbursements, Item 4140-001-001 of the Budget Act of 1985, is hereby transferred and reappropriated to the California Health and Planning Fund reappropriated for the purpose (and subject to the limitations otherwise specified) provided for in such appropriation, and shall be available for expenditure until June 30, 1987.

4170-001-001—For support of Department of Aging		4,886,000
Schedule:		
(a) 10-Nutrition	2,497,000	
(b) 20-Senior Community Employment Service	334,000	
(c) 30-Supportive Services and Centers	1,423,000	
(d) 40-Special Projects	4,254,000	
(e) 50.01-Administration	4,465,000	
(f) 50.02-Distributed Administration ..	−4,408,000	
(g) Reimbursements	−1,300,000	
(h) Amount payable from the Federal Trust Fund (Item 4170-001-890) ..	−2,379,000	

Item — Amount

Provisions:

1. The Director of the Department of Finance may authorize the transfer of funds between this item and Item 4170-101-001 no sooner than 30 days after written notification to the chairpersons of the fiscal committees of each house and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the Chairperson of the Joint Legislative Budget Committee may determine of: (1) the amount of the proposed transfer; (2) an identification of the purposes for which the funds will be used; (3) documentation that the proposed activities must be carried out in the current year and that no other funds are available for their support; and (4) the impact of any transfer on the level of services.
2. The Department of Aging, in cooperation with adult day health care providers, shall implement a uniform cost accounting system in consultation with the providers, as specified in Section 14575 of the Welfare and Institutions Code, and train providers in its use by July 1, 1987.

4170-001-890—For support of Department of Aging, for transfer to Item 4170-001-001, payable from the Federal Trust Fund 2,379,000

Provisions:

1. The Director of the Department of Finance may authorize the transfer of funds between this item and Item 4170-101-890 no sooner than 30 days after written notification to the chairpersons of the fiscal committees of each house and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the Chairperson of the Joint Legislative Budget Committee may determine of: (1) the amount of the proposed transfer; (2) an identification of the purposes for which the funds will be used; (3) documentation that the proposed activities must be carried out in the current year and that no other funds are available for their support; and (4) the impact of any transfer on the level of services.

4170-101-001—For local assistance, Department of Aging 31,061,000

Schedule:

(a) 10-Nutrition 60,518,000

Item		Amount
	(1) 10.10-Congregate nutrition 45,352,000	
	(2) 10.20-Home delivered nutrition 15,166,000	
(b)	20-Senior Community Employment Service	4,995,000
(c)	30-Supportive Services and Centers (for match)	26,318,000
(d)	40-Special Projects	26,049,000
(e)	Reimbursements	−9,529,000
(f)	Amount payable from the Federal Trust Fund (Item 4170-101-890) ..	−77,290,000

Provisions:

1. Provision 1 of Item 4170-001-001 is also applicable to this item.
2. The Department of Aging, in consultation with the Department of Social Services, shall incorporate the In-Home Supportive Services (IHSS) equity assessment instrument into the long-term care programs by July 1, 1987.
3. The Department of Aging, in consultation with the Department of Social Services and the Department of Rehabilitation, shall incorporate into the December 1, 1986 report to the Legislature identification of Service Enriched (SEED) communities which best represent long-term care service delivery systems and examine the benefits and limitations of these systems. The report shall specifically identify the barriers to a coordinated long-term care delivery system that are the result of state law or regulations from any state department funding local programs. The report shall be made available, upon request, to those communities which are interested in developing these systems.
4. The department shall allocate $1,000,000 to establish six pilot projects for adult day health care for people with HTLV-III infection in San Francisco, Los Angeles, Orange, Alameda, San Diego, and Santa Clara Counties.
5. The Director of Finance is hereby authorized to augment the General Fund appropriation by the amount necessary to match any additional federal funds which become available to the state's MSSP program as a result of an expanded Title XIX waiver. The director shall notify the Legislature of any such augmentation through

Item		Amount
the process outlined in Section 28.00.		
4170-101-890—For local assistance, Department of Aging, for transfer to Item 4170-101-001, payable from the Federal Trust Fund		77,290,000
Provisions:		
1. Provision 1 of Item 4170-001-890 is also applicable to this item.		
4170-495—Reversion, Department of Aging. As of June 30, 1986, the unencumbered balance of Chapter IX, Statutes of 1983, First Extraordinary Session, and Chapter 10, Statutes of 1985 shall revert to the unappropriated surplus of the General Fund.		
4180-001-001—For support of Commission on Aging		238,000
Schedule:		
(a) 10-Commission on Aging	447,000	
(b) Amount payable from the Federal Trust Fund (Item 4180-001-890)	−209,000	
4180-001-890—For support of Commission on Aging, for transfer to Item 4180-001-001, payable from the Federal Trust Fund		209,000
Provisions:		
1. The amount appropriated in this item shall not be reduced as a result of the reduction of funds for support of the Department of Aging, Item 4170-001-890, made pursuant to the provisions of Section 1321.195 of Title 45 of the Code of Federal Regulations.		
4200-001-001—For support of Department of Alcohol and Drug Programs		7,295,000
Schedule:		
(a) 10-Alcohol Program	5,704,000	
(b) 20-Drug Program	5,990,000	
(c) 30.01-State administration	4,483,000	
(d) 30.02-State administration—distributed	−4,483,000	
(e) Reimbursements	−567,000	
(f) Payable from the Federal Trust Fund (Item 4200-001-890)	−3,014,000	
(g) Payable from Drinking Driver Program Licensing Trust Fund (Item 4200-001-139)	−240,000	
(h) Payable from Methadone Program Licensing Trust Fund (Item 4200-001-243)	−339,000	
(i) Payable from Audit Repayment Trust Fund (Item 4200-001-816)	−239,000	

Item	Amount
Provisions:	
1. Upon order of the Department of Finance, the State Controller shall transfer such funds as are necessary between this appropriation and Item 4200-101-001.	
4200-001-139—For support of the Department of Alcohol and Drug Programs, for transfer to Item 4200-001-001, payable from the Drinking Driver Program Licensing Trust Fund	240,000
4200-001-243—For support of the Department of Alcohol and Drug Programs, for transfer to Item 4200-001-001, payable from the Methadone Program Licensing Trust Fund	339,000
4200-001-816—For support of Department of Alcohol and Drug Programs, for transfer to Item 4200-001-001, payable from the Audit Repayment Trust Fund	239,000
4200-001-890—For support of Department of Alcohol and Drug Programs, for transfer to Item 4200-001-001, payable from the Federal Trust Fund	3,014,000
Provisions:	
1 Upon order of the Department of Finance, the State Controller shall transfer such funds as are necessary between this appropriation and Item 4200-101-890.	
4200-101-001—For local assistance, Department of Alcohol and Drug Programs	74,873,000
Schedule:	
(a) 10-Alcohol Program 49,304,000	
(b) 20-Drug Program 62,138,000	
(c) Reimbursements −4,580,000	
(d) Amount payable from the Federal Trust Fund (Item 4200-101-890) −31,689,000	
(e) Payable from Audit Repayment Trust Fund (Item 4200-101-816) −300,000	
Provisions:	
1. Provision 1 of Item 4200-001-001 is also applicable to this item.	
2. The Department of Finance may authorize the transfer of the local assistance state general fund appropriation between the alcohol program and the drug program for the purpose of meeting the intent of Sections 11814(b) and 11983.5(b) of the Health and Safety Code.	

Item Amount

5100-001-185—For support of Employment Development Department, for transfer to Item 5100-001-870, payable from the Employment Development Contingent Fund 24,887,000

Provisions:

1. Funds appropriated in this item are in lieu of the amounts which would have otherwise been appropriated for administration pursuant to Section 1586 of the Unemployment Insurance Code.
2. Notwithstanding the provisions of Item 9840-001-494, the Director of Finance may authorize the creation of deficiencies pursuant to Section 11006 of the Government Code, for the purposes of this item.
3. Notwithstanding any other provision of law, the State Controller shall transfer to the General Fund the amount, as determined by the Director of Finance, in the Employment Development Contingent Fund as of June 30, 1987, which is in excess of the $1,000,000 reserve required by Section 1590 of the Unemployment Insurance Code.

5100-001-514—For support of Employment Development Department, for transfer to Item 5100-001-870 payable from the Employment Training Fund 61,437,000

Provisions:

1. Notwithstanding Section 2 of this act, any unexpended balance in the Employment Training Fund as of June 30, 1986 is hereby appropriated for transfer to and in augmentation of this item, for allocation by the Employment Training Panel for job training contracts and shall not be reverted to the Unemployment Insurance Fund.
2. All activities to market, negotiate, or otherwise locate employers or other agencies interested in providing training with funds supplied by the Employment Training Panel shall be supported with funds allocated for the administration of the Employment Training Panel.

5100-001-588—For support of Employment Development Department, for transfer to Item 5100-001-870, payable from the Unemployment Compensation Disability Fund 59,360,000

Provisions:

1. The Department of Employment Development shall submit on October 1 and April 20, to the

Item		Amount

Department of Finance for its review and approval, an estimate of expenditures for both the current and budget years, including the assumptions and calculations underlying EDD projections for support expenditures from this item. The Department of Finance shall approve, or modify, the assumptions underlying all estimates within 15 working days of their receipt. If the Department of Finance does not approve or modify in writing, the assumptions underlying all estimates within 15 working days of receipt, the Employment Development Department shall consider the assumptions and calculations approved as submitted. If the Department of Finance determines that the estimate of support expenditures differs from the amount appropriated by this item, the Director of Finance shall so report to the Legislature. At the time the report is made, the amount of this appropriation shall be adjusted by the difference between this Budget Act appropriation and the DOF approved estimate. Revisions for the support of the Disability Insurance program reported pursuant to this provision are not subject to the provisions of Section 28.00.

2. Notwithstanding the provisions of Item 9840-001-988, the Director of Finance may authorize the creation of deficiencies pursuant to Section 11006 of the Government Code, for the purposes of this item.

5100-001-869—For support of state programs under the Job Training Partnership Act, Employment Development Department, payable from the Consolidated Work Program Fund 52,404,000

Schedule:

(a) 60.10-SJTCC Administration	910,000
(b) 60.20-Incentive and Technical Assistance	11,376,000
(c) 60.30-Older Workers	5,688,000
(d) 60.40-Educational Linkages.....	15,168,000
(e) 60.50-EDD Administration	8,128,000
(f) 60.51-Special Local Projects	442,000
(g) 60.60-Displaced Workers	9,892,000
(h) 60.65-Veterans	800,000

Provisions:

Item Amount

1. Funds appropriated under this item for (b) 60.20, Incentive and Technical Assistance, can be transferred to Item 5100-101-869, upon the approval of the Department of Finance, when Service Delivery Areas decide to operate projects under the federal guidelines of (a) 60.70, Adult and Youth Training programs.
2. Of the funds appropriated by this item, 5 percent administration and 6 percent incentive and technical assistance funds, in amounts as determined by the Director of Finance, may be combined to form an administrative cost pool to support Job Training Partnership Act program administration.
3. Incentive funds allocated by the State Job Training Coordinating Council in fiscal year 1987–88 for performance during fiscal year 1986–87 shall only be allocated to Service Delivery Areas that meet all seven federal performance standards, as adjusted, in the following manner:
   (a) $15,000 for each standard in which the Service Delivery Area is in the fiftieth percentile of those above the minimum for that standard.
   (b) From the remaining funds, a share shall be allocated to each of these service delivery areas, based on the sum of the percentages by which each service delivery area exceeds the average of those above the minimum for each standard multiplied by the service delivery area's proportion of the funds allocated under schedule (a) 60.70-Adult and Youth Training Programs of Item 5100-101-869.

5100-001-870—For support of Employment Development Department, payable from the Unemployment Administration Fund—Federal 317,189,183

Schedule:

(a) 10-Employment and Employment Related Services	154,019,183
(b) 20-Tax Collection and Benefit Payments	319,912,000
(c) 30.01-General Administration	32,949,000
(d) 30.02-Distributed General Administration	−31,415,000
(e) 50-Employment Training Panel	59,633,000
(f) Reimbursements	−36,006,000

Item		Amount
(g)	Amount payable from the General Fund (Item 5100-001-001)	−29,882,000
(h)	Amount payable from the Employment Development Department Benefit Audit Fund (Item 5100-001-184)	−2,821,000
(i)	Amount payable from the Employment Development Contingent Fund (Item 5100-001-185)	−24,887,000
(j)	Amount payable from the Employment Training Fund (Item 5100-001-514)	−61,437,000
(k)	Amount payable from the Unemployment Compensation Disability Fund (Item 5100-001-588)	−59,360,000
(*l*)	Amount payable from Federal Unemployment Fund (Item 5100-001-871)	−2,944,000
(m)	Amount payable from the School Employees Fund (Item 5100-001-908)	−572,000

Provisions:

1. Funds appropriated in this item are in lieu of the amounts which would have otherwise been appropriated pursuant to Section 1555 of the Unemployment Insurance Code.
2. The Employment Development Department (EDD) shall submit on October 1 and April 20, to the Department of Finance for its review and approval an estimate of expenditures for both current and budget years, including the assumptions and calculations underlying EDD projections for support expenditures for the Unemployment Insurance program from this item. The Department of Finance shall approve, or modify, the assumptions underlying all estimates within 15 working days of their receipt. If the Department of Finance does not approve or modify in writing the assumptions underlying all estimates within 15 working days of receipt, the Employment Development Department shall consider the assumptions and calculations approved as submitted. If the Department of Finance determines that the estimate of support expenditures differs from the amount appropriated by this item, the Director of Finance shall so report to the Legislature. At the time the

Item Amount

report is made, the amount of this appropriation shall be adjusted by the difference between this appropriation and the Department of Finance approved estimate for the Unemployment Insurance program. Revisions for the support of the Unemployment Insurance program reported pursuant to this provision are not subject to the provisions of Section 28.00.

3. To the extent that the Tax Accounting System does not become operational until October 1, 1986, additional funds from Items 5100-001-185, 5100-001-514, 5100-001-588, and 5100-001-870, up to a total of $367,000, shall be appropriated to support additional personnel-years for tax workload.
4. To the extent that available federal funding is insufficient to support employment data and research positions at the budgeted level, funds shall be appropriated from Item 5100-001-185, up to a total of $263,000, to substitute for these federal funds.

5100-001-871—For support of the Employment Development Department, for the purchase of data-processing equipment, payable from moneys credited to this state's account in the Unemployment Trust Fund and made available to this state under Section 903 of the Social Security Act (42 U.S.C., Sec. 1103) as amended 2,944,000

Provisions:

1. Funds appropriated in this item shall be requisitioned from the Unemployment Trust Fund pursuant to Section 1528.5 of the Unemployment Insurance Code.
2. The total amount obligated pursuant to this item during the 1986–87 fiscal year shall not exceed the amount by which (a) the aggregate of the amounts credited to the account of this state pursuant to Section 903 of the Social Security Act (42. U.S.C., Sec. 1103) during the 1986–87 fiscal year and the 34 preceding fiscal years, exceeds (b) the aggregate of the amounts obligated for administration and paid out for benefits and charged against the amounts credited to the account of this state during these 35 fiscal years.

5100-001-908—For support of Employment Development Department, for transfer to Item 5100-001-870, payable from the School Employees Fund 572,000

Item	Amount
Provisions:	
1. Notwithstanding the provisions of Item 9840-001-988, the Director of Finance may authorize the creation of deficiencies pursuant to Section 11006 of the Government Code, for the purposes of this item.	
2. Funds appropriated in this item are in lieu of the amounts which would have otherwise been appropriated for administration pursuant to Section 822 of the Unemployment Insurance Code.	
3. Provision 2 of Item 5100-001-870 is also applicable to this item.	
4. Notwithstanding any other provision of law, the State Controller shall transfer $45,000,000 to the General Fund from the School Employees Fund effective July 1, 1986, and an additional $43,800,000 effective June 30, 1987.	
5100-011-890—For support of Employment Development Department, payable from the Federal Trust Fund, for transfer to the Unemployment Administration Fund	(317,189,183)
5100-016-890—For support of Employment Development Department, payable from the Federal Trust Fund, for transfer to the Unemployment Fund	(2,944,000)
5100-021-890—For support of Employment Development Department, payable from the Federal Trust Fund, for transfer to the Consolidated Work Program Fund	(52,404,000)
5100-101-588—For local assistance, Employment Development Department, for Program 20—Tax Collections and Benefit Payments, payable from the Unemployment Compensation Disability Fund	1,294,940,000
Provisions:	
1. Notwithstanding the provisions of Item 9840-001-988, the Director of Finance may authorize the creation of deficiencies pursuant to Section 11006 of the Government Code, for the purposes of this item.	
2. Funds appropriated in this item are in lieu of the amounts which would have otherwise been appropriated pursuant to Section 3012 of the Unemployment Insurance Code.	

Item Amount

3. The Department of Employment Development shall submit on October 1 and April 20, to the Department of Finance for its review and approval, an estimate of expenditures for both current and budget years, including the assumptions and calculations underlying EDD projections for benefits payable from this item. The Department of Finance shall approve, or modify the assumptions underlying all estimates within 15 working days of their receipt. If the Department of Finance does not approve or modify in writing the assumptions underlying all estimates within 15 working days of receipt, the Employment Development Department shall consider the assumptions and calculations approved as submitted. If the Department of Finance determines that the estimate of benefit expenditures differs from the amount appropriated by this item, the Director of Finance shall so report to the Legislature. At the time the report is made, the amount of this appropriation shall be adjusted by the difference between this Budget Act appropriation and the DOF approved estimate. Revisions reported pursuant to this provision are not subject to the provisions of Section 28.00.

5100-101-869—For local assistance under the Job Training Partnership Act, Employment Development Department, payable from the Consolidated Work Program Fund 215,577,000

Schedule:

(a) 60.70-Adult and Youth Training Programs 147,885,066

(b) 60.80-Summer Youth Programs 67,691,934

5100-101-870—For local assistance, Employment Development Department, for Program 20—Tax Collections and Benefit Payments, payable from the Unemployment Administration Fund 2,910,000

Provisions:

1. Funds appropriated in this item are in lieu of the amounts which would have otherwise been appropriated pursuant to Section 1555 of the Unemployment Insurance Code.
2. Provision 3 of Item 5100-101-588 is also applicable to this item.

Item	Amount
5100-101-871—For local assistance, Employment Development Department, for Program 20—Tax Collections and Benefit Payments, payable from the Federal Unemployment Fund	2,116,500,000
Provisions:	
1. Funds appropriated in this item are in lieu of the amounts which would have otherwise been appropriated pursuant to Section 1521 of the Unemployment Insurance Code.	
2. Provision 3 of Item 5100-101-588 is also applicable to this item.	
5100-101-890—For local assistance, Employment Development Department, payable from the Federal Trust Fund, for transfer to the Consolidated Work Program Fund	(215,577,000)
5100-101-908—For local assistance, Employment Development Department, for Program 20—Tax Collections and Benefit Payments, payable from the School Employees Fund	16,056,000
Provisions:	
1. Notwithstanding the provisions of Item 9840-001-988, the Director of the Department of Finance may authorize the creation of deficiencies pursuant to Section 11006 of the Government Code, for the purposes of this item.	
2. Funds appropriated in this item are in lieu of the amounts which would have otherwise been appropriated for benefits pursuant to Section 822 of the Unemployment Insurance Code.	
3. Provision 3 of Item 5100-101-588 is also applicable to this item.	
5100-111-890—For local assistance, Employment Development Department, payable from the Federal Trust Fund	(2,119,410,000)
Schedule:	
(a) For transfer to the Federal Unemployment Fund (871)	(2,116,500,000)
(b) For transfer to the Unemployment Administration Fund (870)	(2,910,000)
5100-490—Reappropriation, Employment Development Department. As of June 30, 1986, the unexpended balance of the appropriation made by Item 5100-101-979, Budget Act of 1985, is hereby appropriated for transfer to and in augmentation of Item 5100-101-869, Budget Act of 1986, and shall be available for encumbrance and expenditure through June 30, 1987.	

Item	Amount
Provisions:	
1. The Employment Development Department shall notify the Legislature by December 1, 1986 of the actual amount of 1985–86 Federal Job Training Partnership Act local assistance funds carried forward into 1986–87 for expenditure.	
5100-491—Reappropriation, Employment Development Department. Notwithstanding any other provision of law, the unencumbered balance, as of June 30, 1986, of the appropriation made by Chapter 1027, Statutes of 1985 is hereby reappropriated and shall be available for encumbrance until June 30, 1987.	
5100-495—Reversion, Employment Development Department. Notwithstanding any other provision of law, as of June 30, 1986, $1,450,000 of the unencumbered balance of the appropriation provided in Chapter 1217 of the Statutes of 1985 shall revert to the unappropriated surplus of the Benefit Audit Fund.	
5100-301-185—For Minor Capital Outlay (80.37.030), Employment Development Department, payable from the Employment Development Department Contingent Fund	194,000
5100-301-870—For Minor Capital Outlay (80.37.020), Employment Development Department, payable from the Unemployment Administration Fund—Federal	240,000
5100-301-890—For Minor Capital Outlay (80.37.020), Employment Development Department, payable from the Federal Trust Fund, for transfer to the Unemployment Administration Fund—Federal	(240,000)
5160-001-001—For support of Department of Rehabilitation	19,338,000
Schedule:	
(a) 10-Vocational Rehabilitation Services	118,527,000
(b) 20-Habilitation Services	2,215,000
(c) 30-Support of Community Facilities	3,413,000
(d) 40.01-Administration	11,392,000
(e) 40.02-Distributed Administration	−11,392,000
(f) Reimbursements	−5,064,000
(g) Amount payable from the Federal Trust Fund (Item 5160-001-890)	−99,553,000

Item Amount

Provisions:

1. Project Interdependence shall establish a separate bank account outside the State Treasury for the purposes of depositing and disbursing funds from private sources, to the extent allowable under state and federal law. The Project Interdependence Board shall recommend to the project director criteria and necessary safeguards for this separate account consistent with the accountability and flexibility needed to administer and finance the project with private contributions.
2. Of the amount appropriated for the Mental Health Initiative in this item, $50,000 shall be used for an evaluation study of the initiative. This study shall include, but not be limited to, (a) a cost-benefit analysis of the initiative, (b) specific client information, and (c) the impact on the Vocational Rehabilitation Program of a reduction in staff. The study shall be submitted to the Legislature on or before December 15, 1987.
3. In order to participate in the mental health initiative, a county shall identify, in its joint proposal with a local office of the Department of Rehabilitation, cash and in-kind resources it shall make available for prevocational and other services to supplement vocational rehabilitation resources.
4. The Department of Rehabilitation shall not eliminate any staff positions in order to implement the mental health initiative.
5. Of the amount appropriated in this item, $200,000 shall be for operational expenses of the Sophie Meyers School for the Blind.

5160-001-890—For support of Department of Rehabilitation, for transfer to Item 5160-001-001, payable from the Federal Trust Fund 99,553,000

Provisions:

1. Of the funds appropriated by this item, $3,841,000 shall be allocated by the Department of Rehabilitation in the amounts of $1,352,000 for the Supported Work Program and $2,489,000 for cooperative programs with community colleges and the Department of Corrections, and for establishment grants.

Item			Amount
5160-101-001—For local assistance, Department of Rehabilitation			63,734,000
Schedule:			
(a) 10-Vocational Rehabilitation Services		507,000	
(b) 20-Habilitation Services		58,403,000	
(1) 20.10 Work Activity Program	54,611,000		
(2) 20.30 Counselor-Teacher and Reader Services	102,000		
(3) 20.40 Supported Employment Services	3,690,000		
(c) 30-Support of Community Facilities		4,824,000	

Provision:

1. Upon order of the Department of Finance, the State Controller shall transfer such funds as are necessary between this item and Item 4300-101-001 to provide for the conversion of Day Programs, Supported Work Programs and Work Activity Programs to meet client service needs.
2. The Department of Rehabilitation shall submit to the Legislature, on December 15, 1986, and on April 20, 1987, an estimate of the Work Activity Program caseloads for both the current year and the budget year. This report shall include the assumptions and calculations underlying the estimates, and shall discuss any differences between projected and actual caseloads for the same period of time. In addition, caseload estimates projected in these reports shall be determined using estimating procedures that incorporate the following information:
   (a) The number of special education students that realistically could become Work Activity Program clients.
   (b) The number of regional center clients that are potential Work Activity Program clients.
   (c) The potential impact on Work Activity Program caseloads of any planned release of clients from state hospitals.
   (d) The impact of Chapter 1219 of the Statutes of 1985 on the caseloads and costs of the Work Activity Program.

Item	Amount
3. Upon order of the Director of Finance, the Controller shall transfer such funds as are necessary between this item and Item 5160-001-001 to provide the state's share of client service expenditures for habilitation clients who are eligible to become vocational rehabilitation clients.	
4. Of the funds appropriated by this item, $150,000 shall be used for three new Independent Living Centers. In the event that the Department of Rehabilitation does not obtain federal funds for this purpose, the $150,000 shall be made available from existing resources.	
5. Of the amount appropriated in category (a), $147,000 shall be used to staff two professionals and two clericals in northern and southern California for services for the blind.	
6. Of the funds appropriated by this item, $150,000 from the General Fund shall be used for three new Independent Living Centers unless the Department of Rehabilitation obtains federal funds for this purpose. In the event federal funds become available, these General Fund dollars will be reverted.	
5160-490—Reappropriation, Department of Rehabilitation. Notwithstanding any other provision of law, the unexpended balances, as of June 30, 1986, of the appropriations made in Item 5160-101-001 of the Budget Act of 1985 and Chapter 120 of the Statutes of 1984, are hereby reappropriated to meet special costs of the Work Activity Program and shall be available for encumbrance through June 30, 1987.	
5180-001-001—For support of Department of Social Services	72,101,000
Schedule:	
(a) 10-Welfare Program Operations .. 50,458,000	
(b) 20-Social Services Programs 24,048,000	
(c) 30-Community Care Licensing 30,525,000	
(d) 40-Disability Evaluation Program 109,074,000	
(f) 60.01-Administration 69,862,000	
(g) 60.02-Distributed Administration −63,954,000	
(h) Reimbursements ..... −8,068,000	
(i) Amount payable from the Federal Trust Fund (Item 5180-001-890) −139,844,000	

Item Amount

Provisions:

1. The Director of Finance may authorize the transfer of General Fund moneys from Item 5180-001-001(c) to Item 5180-161-001, Program 30, Community Care Licensing, in order to allow counties to perform the facilities evaluation function.
2. Of the funds appropriated by this item, $25,000 are for payment of attorney fees pursuant to Section 10962 of the Welfare and Institutions Code.
3. The Department of Social Services shall exert maximum possible effort toward obtaining enhanced federal funds participation in the state support costs and county administrative costs of each of the projects included in the Standardized Automated Welfare System (SAWS) plan. The Director of Finance shall notify the chairperson of the committee in each house that considers appropriations and the Chairperson of the Joint Legislative Budget Committee of the receipt of enhanced federal funds participation for the SAWS projects. The notice shall provide for increases in the federal funds appropriated in Items 5180-001-890 and 5180-141-890 and offsetting reductions in the General Fund amount appropriated in this item and Item 5180-141-001 for the SAWS projects to reflect the increased rate of federal funds participation.

5180-001-890—For support of Department of Social Services, for transfer to Item 5180-001-001, payable from the Federal Trust Fund 139,844,000

Provision:

1. The Director of Finance may authorize the transfer of federal funds from this item to Item 5180-161-890, in order to allow counties to perform the facilities evaluation function in Community Care Licensing.
2. The Department shall (with the assistance of the State Personnel Board and the Department of Personnel Administration) contract with up to five persons to work closely with the refugee communities to assist in the development of refugee community-based organizations and to assist such organizations to acquire and develop the capacity to compete for and operate refugee funded programs or to provide other services to

Item		Amount
refugees.		
5180-101-001—For Local Assistance, Department of Social Services		1,784,786,000
Schedule:		
(a) 10.04.005-Aid to Families with Dependent Children	3,578,139,000	
(ax) 10.04.005.001-Severely emotionally disturbed foster care	5,400,000	
(b) 10.04.010-Child Support Incentives	43,460,000	
(c) 10.04.015-Aid for Adoption of Children/Adoption Assistance Program	15,599,000	
(d) Reimbursements	−7,633,000	
(e) Amount payable from the Federal Trust Fund (Item 5180-101-890)	−1,850,179,000	

Provisions:

1. No funds appropriated by this item shall be encumbered unless every rule or regulation adopted and every all-county letter issued by the Department of Social Services which adds to the cost of any welfare program is approved by the Department of Finance as to the availability of funds before it becomes effective. In making the determination as to availability of funds to meet the expenditures of a rule. regulation, or all-county letter which would increase the costs of a welfare program, the Director of Finance shall consider the amount of the proposed increase on an annualized basis, the effect such change would have on the expenditure limitations for such program set forth in this act, the extent to which the rule, regulation, or all-county letter constitutes a deviation from the premises under which the expenditure limitations were prepared, or any additional factors relating to the fiscal integrity of such program or the state's fiscal situation.

   Notwithstanding the provisions of Sections 26.00 and 28.00, the availability of funds contained in this item for welfare rules, regulations, or all-county letters which add to program costs funded from the General Fund in excess of $500,000 on an annual basis, including those that are the result of a federal regulation but excluding those that are (a) specifically required as a

Item Amount

result of the enactment of a federal or state law, or (b) included in the appropriation made by this act, shall not be approved by the Director of Finance sooner than 30 days after notification in writing of the necessity therefor to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or such lesser time as the chairperson of the committee, or his or her designee, may in each instance determine.

Funds appropriated in this item are for welfare programs as they exist on July 1, 1986, consisting of state and federal statutory law, regulations, and court decisions, if funds necessary to carry out such decisions are specifically appropriated in this act.

For purposes of this provision "welfare" shall mean those program elements under "Welfare Program Operations," as found in the Governor's Budget and consistent with definitions used in the California Fiscal Information System (CFIS).

2. The Department of Social Services shall administer the public assistance programs so that the counties will bear no more than the amount of welfare costs that they would be obligated to bear under the applicable provisions of the Welfare and Institutions Code, without the expenditure limitations set forth herein, and so that the amount authorized to be expended in program 10.04, Aid to Families with Dependent Children program shall fully cover the state share of aid payments and for services under such programs for the 1986–87 fiscal year.
3. There is hereby established for the next two quality control review periods, a dollar error rate standard of 4 percent, pursuant to Section 15200.4 of the Welfare and Institutions Code.

For the purposes of state sanctions pursuant to Section 15200.4 of the Welfare and Institutions Code, the error rate estimate that shall be used to measure the quality performance of each county shall be the low point estimate of the confidence interval estimated by combining the results from the two quality review samples conducted during the two subsequent quality re-

Item Amount

view periods.

Amounts realized from the counties as the result of a state fiscal sanction shall first be applied as an offset to the state's share of Program 10.04, Payments for Children. To the extent that this application results in a surplus to the General Fund appropriation for that program, such surplus shall revert to the General Fund.

4. The Director of Finance is authorized to approve expenditures in those amounts made necessary by changes in either caseload or payments, or any rule or regulation adopted and any all-county letter issued in Program 10.04, Payments for Children, as a result of the enactment of a federal or state law, the adoption of a federal regulation, or the following of a court decision, during the 1986–87 fiscal year which are within or in excess of amounts appropriated in this act for that year.

   If the Director of Finance determines that the estimate of expenditures will exceed the expenditures authorized for Program 10.04, Payments for Children, the director shall so report to the Legislature. At such time as the report is made, the amount of the limitation shall be increased by the amount of such excess unless and until otherwise provided by law.

5. Notwithstanding Chapter 1 of Part 6 of Division 9 of the Welfare and Institutions Code, a loan not to exceed $95,000,000 shall be made available from the General Fund from funds not otherwise appropriated, to cover the federal share of costs for the Aid to Families with Dependent Children Program when the federal share has not been received by this state prior to the usual time for transmitting such federal share to the counties of this state. Such loan from the General Fund shall be repaid when the federal share becomes available.

6. Pursuant to subdivision (b) of Section 903.7 of the Welfare and Institutions Code, the Department of Social Services shall authorize the quarterly transfer of the state share of collections attributable to Sections 903, 903.4, and 903.5 of the Welfare and Institutions Code to the Foster Children and Parent Training Fund. From these collections, and prior to any transfer of funds,

Item Amount

there shall be a deduction for the appropriate amount of county child support collection incentives.

7. Of the funds appropriated in this item, $5,400,000 shall be available for the purposes of Chapter 6 (commencing with Section 18350) of Part 6 of Division 9 of the Welfare and Institutions Code. These funds shall be transferred to the Department of Social Services upon approval of the Director of Finance and shall not be authorized sooner than 30 days after notification in writing to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of such committee, or his or her designee, may determine.
8. The Department of Social Services and the Department of Education shall jointly report to the Joint Legislative Budget Committee by March 1, 1987, regarding any increase in the number of severely emotionally disturbed children determined to need 24-hour out-of-home care as a result of Chapter 1747 of the Statutes of 1984. This report shall include documentation of the cost impacts on the state, county, and federal governments for the cost of 24-hour out-of-home care for these children.

5180-101-890—For local assistance, Department of Social Services, for transfer to Item 5180-101-001, payable from the Federal Trust Fund 1,850,179,000

Provision:

1. Provisions 1–5, inclusive, of Item 5180-101-001 are also applicable to this item.

5180-111-001—For local assistance, Department of Social Services 1,492,092,000

Schedule:

(a) 10.08-SSI/SSP 1,500,724,000
(b) Amount payable from the Federal Trust Fund (Item 5180-111-890) .. −8,632,000

Provision:

1. Provision 1 of Item 5180-101-001 is also applicable to this item.

Item		Amount
2. In the event that the federal government does not provide a cost-of-living adjustment for SSI/SSP recipients, the Director of Finance is hereby authorized to augment the General Fund appropriation by the amount necessary to provide the statutorily required cost-of-living adjustment to SSI/SSP recipients. The director shall notify the Legislature of any such augmentation through the process outlined in Section 28 of this act.		
5180-111-890—For local assistance, Department of Social Services, for transfer to Item 5180-111-001, payable from the Federal Trust Fund		8,632,000
Provisions:		
1. Provision 1 of Item 5180-101-001 is also applicable to this item.		
5180-121-001—For local assistance, Department of Social Services		2,254,000
Schedule:		
(a) 10.12-Special Adult Programs	2,329,000	
(b) Amount payable from the Federal Trust Fund (Item 5180-121-890)	−75,000	
Provision:		
1. Provision 1 of Item 5180-101-001 is also applicable to this item.		
5180-121-890—For local assistance, Department of Social Services, for transfer to Item 5180-121-001, payable from the Federal Trust Fund		75,000
Provisions:		
1. Provision 1 of Item 5180-101-001 is also applicable to this item.		
5180-131-890—For local assistance, Department of Social Services, Program 10.24—Refugee Cash Assistance Programs, payable from the Federal Trust Fund		53,764,000
5180-141-001—For local assistance, Department of Social Services, Program 10.20—County Administration		139,924,000
Schedule:		
(a) 10.20-County Administration	522,537,000	
(b) Amount payable from the Federal Trust Fund (Item 5180-141-890)	−382,613,000	

Item Amount

Provisions:

1. The Department of Social Services may act in the place of any county and assume direct responsibility for the administration of eligibility and grant determination. Upon recommendation of the Director of Social Services, the Department of Finance may authorize the transfer of funds from Items 5180-141-001 and 5180-141-890, to Items 5180-001-001 and 5180-001-890 for this purpose.
2. During the 1986–87 fiscal year, pursuant to Sections 15204.5 and 18906 of the Welfare and Institutions Code, the Department of Social Services shall continue the implementation of a plan whereby costs for county administration for AFDC and Food Stamp Programs will be effectively controlled within the total state funds appropriated for Program 10.20, County Administration.

   Notwithstanding any provisions of the Welfare and Institutions Code to the contrary, the total amount of state funds available to the counties for administration of the programs specified in Program 10.20, County Administration, shall be limited to the amount appropriated for that program.
3. Notwithstanding any other provisions of law, the Department of Social Services may withhold state financial support of a county's automated welfare operations if the county does not provide a fiscal accounting of such operations in the form and manner as may be requested by the department. Provided further, that the Department of Social Services may enter into an agreement with a county wherein state financial support for the development or modification of county-automated welfare operations is conditioned upon the realization of savings projected by the county.
4. Provision 1 of Item 5180-101-001 is also applicable to this item.
5. All counties with State Department of Social Services approved Early Fraud Prevention/Detection Programs shall refer applicants to a fraud investigation only after they have completed and signed the application for aid. If eligibility for assistance is established, such referral

Item Amount

and investigation shall not delay the receipt of aid, including immediate need payments.

It is the intent of the Legislature that no intimidation based on fraud allegations shall occur whether by referral, or threat of referral, prior to the completion of the application for aid. Whenever an application is withdrawn because of a fraud referral, the withdrawal shall be documented by a caseworker and the county shall keep records of all such withdrawals.

The caseworker shall provide a complaint form to any applicant who withdraws his or her application after being referred to the program. The county shall provide the department with copies of all complaints.

The department shall approve county proposals which provide satisfactory results regardless of the personnel classifications used. No proposal shall be approved that includes the employment of uniformed investigators. Counties shall give first priority for hiring additional fraud detection specialists to those county employees who have been laid off as a result of funding cuts and shall provide the necessary training to these individuals in order for them to carry out the duties of the positions.

The department shall submit a report, by February 15, 1987, to the Joint Legislative Budget Committee and the fiscal committees, describing the methodology used to calculate the savings that it estimates will result from this project.

The report shall also describe the following for calendar year 1986: the number of applications in each county; the number of cases referred in each county; the number of investigations; the number of cases denied and withdrawn; the reasons that cases were denied or withdrawn; the number of cases referred to the District Attorney's Office for prosecution; the number and results of fair hearings that involved determinations made by the program; and the actual savings generated by this program since its implementation. In addition, the department shall report any complaints received by the county regarding the county programs.

The report shall also provide recommendations for corrective actions that should be taken

Item Amount

with respect to counties that have a benefit-cost ratio in this program of less than 2 to 1 for fiscal year 1984–85. The report shall also identify any counties that refer more than 10 percent of their applicants to the program for fiscal year 1984–85 and shall provide the department's evaluation of the appropriateness of the referrals made in these counties.

The department shall have an Early Welfare Fraud Detection Advisory Committee that shall review all plans submitted to the department prior to approval by the department, and the department shall take into consideration the comments of the committee prior to approving or rejecting the county plan. The department shall advise the committee, in writing, of its reasons for rejecting the committee's recommendations in this regard. The committee shall be composed of two persons appointed by the California Welfare Fraud Investigators Association, two persons appointed by the California Welfare Directors Association, two persons appointed by social services labor unions, and two persons appointed by the Coalition of California Welfare Rights Organizations. The committee shall meet not more than quarterly and make such reports as it deems appropriate to the Legislature and the director of the department. The committee may also hold hearings regarding the effectiveness of the program and take public testimony from individuals regarding their opinions about the program.

The department shall reimburse members for their travel and per diem expenses.

6. Of the funds appropriated in this item for costs of administering the Special Circumstances Program, the department shall limit state reimbursement for an individual county's administrative costs to 100 percent of the county's total benefit expenditures, or actual administrative costs, whichever is less.

Item Amount

7. Of the General Fund moneys appropriated by this item for allocation to county welfare departments for preparation of the overpayment collection report, funds shall be allocated by the Department of Social Services only to those counties which are reporting on a timely basis. The department shall report to the Joint Legislative Budget Committee by March 1, 1987, on the timeliness and accuracy of each county's reports and the specific actions being taken to ensure the accuracy of the reports.
8. In administering the county cost allocation plan for 1986–87, the Department of Social Services shall minimize the occurrence of unintended overhead cost shifts as a result of the implementation of the GAIN Program.
9. The Department of Social Services (DSS) shall assess the potential costs and savings that would result from implementation of FRED programs in counties that do not currently operate such programs. The DSS shall, by December 1, 1986, submit a report to the Legislature providing its detailed estimates of these costs, on a county-by-county basis, for 1987–88 and subsequent years. In preparing its report, the department shall consider the estimating methodology used in preparing federal report #18-P-00241-9-01. The department's report shall also provide an estimate of the increased costs to the state that would result from mandating the FRED program on counties that currently operate it on a voluntary basis.
10. The Auditor General shall audit the administration and management of the Welfare Fraud Early Detection Prevention Programs operated by at least three counties and report to the Legislature by January 1, 1987. Orange County's fraud prevention program should be one of the programs selected. The audit should include, but not limited to, a review of: (1) the selection criteria used for investigation, (2) the investigative methodology employed, (3) the rate of fraud found, (4) the rate of applicant withdrawal from eligibility consideration, (5) the average time an award is delayed due to an investigation, and (6) the number of applicants who were otherwise eligible for support but

Item Amount

withdrew their applications because of the investigation.

11. The Departments of Social Services and Health Services shall, in conjunction with the County Welfare Directors Association (CWDA), conduct a study of the current cost control plan for determining caseload targets for AFDC, Medi-Cal and Food Stamps. The study shall involve the cost control plan methodology for developing county groupings and means and the policies for determining overhead allocations.

Additionally, the departments and the CWDA shall jointly review at least three and no more than five methodologies, including work measurement, for determining caseload targets. The Legislative Analyst, or his or her designee, shall attend any meeting between the departments and the CWDA at which caseload targets, or the study of caseload targets, are discussed.

The departments shall submit a progress report by December 31, 1986, and a final implementation plan for establishing caseload targets for fiscal year 1988–89 by May 1, 1987. It is the Legislature's intent to authorize the departments to implement their final implementation plan if the CWDA agrees to the plan. Pending the implementation of the plan there shall be no update of the base year for AFDC, Medi-Cal and Food Stamps in fiscal year 1987–88. If CWDA does not agree to the department's final plan, it is the Legislature's intent to consider any alternative to the departments' plan proposed by the CWDA. If neither the departments' plan nor a CWDA alternative plan is acceptable to the Legislature, it is the Legislature's intent to consider updating the base year for 1987–88 to the most recent year for which data is available.

12. When performance refinements and modifications to a county EDP system are needed to meet Statewide Automated Welfare System (SAWS) requirements that will benefit additional counties, the Department of Social Services may pay the first counties' share of administrative costs incurred for those modifications. The department is restricted to paying

Item	Amount
for the first counties' share for no more than five SAWS systems.	
14. The Department of Social Services shall report to the Legislature by December 15, 1986, on the costs and statistical strengths and weaknesses associated with developing county-specific estimates of error rates in the Food Stamp Program through the following methodology: developing a dollar-error methodology similar to the method used to estimate AFDC error rates including and excluding (1) under-issuances which have no dollar impact on the Food Stamp Program; (2) technical errors which do not affect eligibility or benefit levels; and (3) client errors over which the counties have insufficient controls.	
5180-141-890—For local assistance, Department of Social Services, for transfer to Item 5180-141-001, payable from the Federal Trust Fund	382,613,000
Provisions:	
1. Provisions 1–5, inclusive, of Item 5180-141-001 are also applicable to this item.	
5180-151-001—For local assistance, Department of Social Services, Program 20—Social Services Programs	432,338,000
Schedule:	
(a) 20.30-Other County Social Services	290,427,000
(1) 20.30.010-Child Welfare Services Grant 229,919,000	
(2) 20.30.030-County Services Block Grant 60,508,000	
(b) 20.35-Specialized Adult Services	424,859,000
(1) 20.35.220-In-Home Supportive Services 419,163,000	
(2) 20.35.240-Maternity Care 2,254,000	
(3) 20.35.250-Access Assistance for the Deaf 3,442,000	
(c) 20.40-Employment Services	119,277,000
(d) 20.42-Adoptions	20,964,000
(e) 20.45-Refugee Assistance Services	35,013,000
(f) 20.47-Child Abuse Prevention	16,747,000

Item Amount

(g) Amount payable from the Federal Trust Fund (Item 5180-151-890) —474,949,000

Provisions:

1. The amounts contained in this schedule are for Social Services Programs, for the cost of special social service programs for which federal grants in aid are made to the state; for grants or services to local agencies for the extension of child welfare services as provided by Chapter 5 (commencing with Section 16500) Part 4, Division 9 of the Welfare and Institutions Code; for the cost of the adoption programs and care of children, to be expended in accordance with the provisions of Chapter 2 (commencing with Section 16100) of Part 4 of Division 9 of the Welfare and Institutions Code; for the costs incurred by counties, including, but not limited to, the required matching funds, for in-home supportive services as provided by Article 7 (commencing with Section 12300) of Chapter 3 of Part 3 of Division 9 of the Welfare and Institutions Code, and for prevention of child abuse and neglect as provided by Chapter 11, Part 6 of Division 9 of the Welfare and Institutions Code.
2. Provision 1 of Item 5180-101-001 is also applicable to this item.
3. In accordance with the provisions of Article 7 (commencing with Section 12300) of Chapter 3 of Part 3 of Division 9 of the Welfare and Institutions Code, $436,226,000, consisting of $419,163,000 scheduled in (b)(1) of this item and $17,063,000 in county funds is the designated level of funding for the In-Home Supportive Services Program for fiscal year 1986–87.
4. Notwithstanding Chapter 1 of Part 6 of Division 9 of the Welfare and Institutions Code, a loan not to exceed $22,800,000 may be made available from the General Fund from funds not otherwise appropriated upon the approval of the Director of Finance to cover the federal share of costs for the In-Home Supportive Services Program when the federal share has not been received by this state prior to the usual time for transmitting such federal share to the counties of this state. Such loan from the General Fund shall be repaid when the federal share becomes available.

Item Amount

5. The amount appropriated in Item 5180-151-001 (b) (2), Program 20.35.240, Maternity Care, is appropriated in lieu of the amounts which would otherwise be appropriated pursuant to Sections 16148 and 16151 of the Welfare and Institutions Code.
6. Funds provided by this act to fund Child Abuse and Neglect Prevention programs authorized by this item shall be used to supplement, not supplant, services provided pursuant to Section 16501 of the Welfare and Institutions Code to create a continuum of services.
7. It is the intent of the Legislature that funds appropriated for Child Welfare Services (CWS) be allocated to counties based upon a 100 percent weighting of the CWS caseloads by the 1988–89 fiscal year. For the 1986–87 fiscal year, the Department of Social Services shall implement a formula for allocating CWS funds that is based upon a weighting of 50 percent for CWS caseloads. No county shall receive less Child Welfare Services funds in fiscal year 1986–87 than were received by the county in the 1985–86 fiscal year. The department shall develop the formula in consultation with representatives of county welfare departments.

   It is also the intent of the Legislature that, prior to making further movement in the CWS caseload allocation formula beyond a weighting of 50 percent, the department shall do both of the following: (a) evaluate the variances between counties for CWS direct costs, including emergency shelter care and CWS support costs, and recommend to the Legislature by April 1, 1987, one or more methods for addressing these cost variances; and (b) develop a uniform case definition for each of the four CWS programs and implement a process by April 1, 1987, for verifying county case reporting.
8. Funds appropriated to the Child Welfare Services Program for county-granted prior year cost-of-living adjustments shall be matched by the required county share pursuant to Section 16500 of the Welfare and Institutions Code.

Item Amount

9. The Department of Social Services shall compare the costs of each county's proposed GAIN plan with the department's estimate of the statewide costs of the GAIN program. If the department approves any county plan which has a cost in excess of what should be expected for a county with a caseload of comparable size based on the department's statewide estimate, the department shall so notify the chairperson of the fiscal committee of each house and of the GAIN Joint Oversight Committee no later than October 1 and April 1 of each year.
10. The department shall prepare and issue quarterly county-specific reports on Emergency Response, Family Maintenance, Family Reunification, and Permanent Placement programs that shall display the following data:
    (a) Program Costs:
        Staff costs (salaries, benefits)
        Support costs (rent, transportation, supervisor salaries)
        Direct costs (purchased services, contracts)
        Total costs per case and per program
    (b) Program Management:
        Caseload per social worker by program
        Hours per case

    In addition, the department shall use the above quarterly data from fiscal year 1985–86, together with county-specific compliance data and information developed by the Office of Child Abuse Prevention, to prepare a report to the Legislature which provides an analysis of the differences among counties. The report shall include statewide reliable data on major compliance problem areas identified as a result of the compliance reviews. The report shall be submitted to the Legislature by April 1, 1987.
11. Of the amount provided for child welfare services, $200,000 shall be available for Indian Child Welfare Services programs. This money shall be distributed to any nonprofit Indian organization which has received funds since 1984 pursuant to the Indian Child Welfare Act of 1978 (P.L. 95-608). Money shall be distributed in proportion to the percentage of American Indians within the service area as compared to the

Item	Amount

total number of American Indians in the state, based on the 1980 census.

12. Budgets for approved county plans shall clearly identify the amount necessary to meet the child care needs of GAIN participants. The Department of Social Services shall not approve any county request to use child care funds for any other purpose without providing written notification to the Legislature of the request. Approval of such a request may not occur any earlier than after 30 days written notification to the Joint Legislative Budget Committee and the Joint Committee on the Oversight on GAIN.
13. Recognizing that the availability of child care is essential to economic self sufficiency, it is the intent of the Legislature to fund child care services as necessary to support the goal of full employment.

When a child care provider under contract with the State Department of Education (SDE) provides child care services to GAIN participants who are enrolled in a GAIN component or awaiting enrollment in a GAIN component, the county welfare department shall reimburse the provider for the cost of that child care.

Children receiving services under an SDE contract whose parents subsequently become GAIN participants shall continue to receive services paid by the SDE contract until such time as the parents are no longer income eligible for the subsidy.

An SDE provider shall not be compensated by both SDE and a county welfare department for the same service to the same persons for the same time period.

The Department of Social Services (DSS) and SDE shall enter into a memorandum of understanding that specifies a maintenance of effort requirement by SDE programs for AFDC recipients. Both DSS and SDE shall collect the data by November 15, 1986, necessary to identify and monitor AFDC participation levels in SDE child care programs.

The Auditor General shall review the departments' data and certify by January 1, 1987, to

Item Amount

the GAIN Oversight Committee on the existing level of AFDC participation in SDE programs.

14. Pursuant to paragraph (14) of subdivision (i) of Section 11320.2 of the Welfare and Institutions Code, "standard statistical sampling methods" shall include case random assignment methods which shall be utilized in conducting the evaluation of the Greater Avenues for Independence (GAIN) Program. Utilizing such case random assignment methods shall ensure a valid evaluation of the GAIN program's effectiveness when comparing experimental and control group impacts.

15. It is the intent of the Legislature to provide counties with sufficient flexibility to manage their social services program efficiently. Futhermore, it is the intent of the Legislature that the funds appropriated for Child Welfare Services and the County Services Block Grant be utilized by county welfare departments in a manner which maximizes the provision of social services at the county level in the most cost-effective manner possible.

A county may transfer funds between Child Welfare Services and other county social services as long as the county certifies that it has achieved an appropriate level of performance in the delivery of Child Welfare Services. The county shall demonstrate its level of performance by completing and passing a county-conducted case review in accordance with instructions provided by the department.

To accomplish this transfer, the county shall notify the Director of Social Services in writing of its intent to fund CWS at a different level than included in the allocation plan. The notification shall include the amount of the proposed transfer and an identification of the purposes for which the funds will be used.

If the total amount of transfers from the counties is different from the amount appropriated by this act, the department shall notify the Department of Finance.

The Director of Finance may authorize the transfer of funds between those appropriated for CWS and those appropriated for In-Home

Item Amount

Supportive Services (IHSS) administration, information and referral, and adult and optional services no sooner than 30 days after written notification to the chairperson of the fiscal committee of each house and the Chairperson of the Joint Legislative Budget Committee. The notification shall include (1) the amount of proposed transfer; and (2) an identification of the purposes for which the funds will be used.

5180-151-890—For local assistance, Department of Social Services, for transfer to Item 5180-151-001, payable from the Federal Trust Fund 474,949,000

Provisions:

1. Provisions 1 and 3 of Item 5180-151-001 and Provision 1 of Item 5180-101-001 are also applicable to this item.
2. Any unexpended funds from the Job Training Partnership Act available for child care programs in 1985–86 shall be available for expenditure in 1986–87 for the same purpose.
3. The Department of Education (DOE) shall provide certification of child care services provided to GAIN participants, to the Department of Social Services, on a quarterly basis. Upon certification the Department of Social Services shall reimburse the Department of Education for fifty (50) percent of the certified costs but no less than $31 million in Federal funds, from this item, commensurate with the certified child care services. This reimbursement shall be from Item 5180-151-890 to match $31 million in General Funds in Item 6100-196-001. This reimbursement shall also include any COLA included in Item 5180-181-890 for this purpose.

5180-161-001—For local assistance, Department of Social Services 7,946,000

Schedule:

(a) 30-Community Care Licensing 11,875,000
(b) Amount payable from the Federal Trust Fund (Item 5180-161-890) .. −3,929,000

Provision:

1. The Director of Finance may authorize the transfer of amounts from this item to Item 5180-001-001, Program 30—Community Care Licensing, in order to allow the state to perform the facilities evaluation function in the event the counties fail to perform such function.

Item Amount

5180-161-890—For local assistance, Department of Social Services, for transfer to Item 5180-161-001, payable from the Federal Trust Fund 3,929,000

Provision:

1. The Director of Finance may authorize the transfer of amounts from this item to Item 5180-001-890 in order to allow the state to perform the facilities evaluation function in the Community Care Licensing Program in the event the counties fail to perform such function.

5180-181-001—For local assistance, Department of Social Services, Program 97.10—Special Adjustments —Cost-of-Living Adjustments, to be transferred to and in augmentation of programs, upon approval of the Department of Finance, effective July 1, 1986, in accordance with the following schedule 221,308,000

Schedule:

(a) 10.08—SSI/SSP (for transfer to Item 5180-111-001) 108,664,000
(b) 20—Social Services Program (for transfer to Item 5180-151-001) 14,728,000
(c) 10.04.005—Aid to Families with Dependent Children (for transfer to Item 5180-101-001) 202,906,000
(d) 10.24—Refugee Cash Assistance (for transfer to Item 5180-131-890) 1,537,000
(e) Amount payable from the Federal Trust Fund (Item 5180-181-890) —125,154,000
(f) 10.20—County Administration (for transfer to Item 5180-141-001) 18,627,000

Provisions:

1. For fiscal year 1986–87, funds appropriated by this item shall be used to grant each foster child residing in a foster family home a full AFDC cost-of-living adjustment as provided by this act.
2. Funds appropriated by this item are to be used for In-Home Supportive Services (IHSS) provider cost-of-living adjustments (COLAs). All counties shall grant COLAs to all their IHSS providers at the percentage appropriated in this act, except county employees who deliver IHSS services whose adjustments shall be based on county collective bargaining agreements. Counties may grant COLAs in excess of this percentage; however, state funding is not available for those amounts in excess of the COLA percentage appropriated in this act.

Item Amount

For purposes of this act, COLA means all wage and benefit increases not including merit, step, longevity salary adjustment, wage differentials, changes in a formal classification plan, or employment taxes.

The department shall allocate the COLA appropriation to the counties by applying the COLA percentage appropriated in this act to the amounts allocated as basic IHSS program costs. A county's COLA allocation may be increased only if the amounts allocated by the department for basic IHSS program cost is increased and the department can reallocate COLA funds from counties which have a projected COLA surplus. All COLA moneys not encumbered during the period covered by this act shall revert to the General Fund.

Except as provided below, the COLA shall apply to all IHSS provider wages and benefits earned beginning July 1, 1986. Counties shall make every effort to implement this COLA immediately after the operative date of this act; however, if for any reason payment cannot begin on the next scheduled payday after July 1, 1986, retroactive paychecks shall be provided back to July 1, 1986.

Wage and benefit packages for IHSS program providers who provide services through a county/private provider company shall be negotiated through the free competition/competitive bid and collective bargaining processes. If at any time during 1986–87 individual contracts are renegotiated or renewed, counties may grant contract providers a higher COLA than the percentage granted by the state. However, state funding shall not be available for any COLA in excess of the percentage appropriated by this act and granted to providers on July 1, 1986.

3. Funds appropriated by this item are to be used for an IHSS COLA as follows: (a) 3.2 percent so as to maintain the wage level of IHSS providers, and (b) 0.8 percent so as to improve the level of compensation for IHSS providers and insure that an adequate number of providers are available.

0 40 5400 0

Item	Amount
5180-181-890—For local assistance, Department of Social Services, for transfer to Item 5180-181-001, payable from the Federal Trust Fund, to be transferred to and in augmentation of programs, upon approval of the Department of Finance, effective July 1, 1986	125,154,000

5180-490—Reappropriation, Department of Social Services. On the effective date of this act, notwithstanding any other provisions of law, $3,958,000 of the appropriation provided in Chapter 1638, Statutes of 1984, is reappropriated for the same purpose for transfer to, and in augmentation of, category (f) of Item 5180-151-001 of the Budget Act of 1986 (child abuse prevention).

On the effective date of this Act, notwithstanding any other provisions of law, any unencumbered balance of the special Title XX training allocation included in Item 5180-001-890(c), Chapter 111, Statutes of 1985, is reappropriated for the same purpose in Item 5180-001-890(c) of the Budget Act of 1986, and shall be available for expenditure until June 30, 1987.

5180-495—Reversion, Department of Social Services. Notwithstanding any other provision of law, as of June 30, 1986, the unencumbered balance in the General Fund for the appropriations provided in the following citations shall revert to the unappropriated surplus of the fund:

(1) Item 518-101-001, Budget Act of 1981, Child Support Incentives carryover, Chapter 102, Statutes of 1981.

YOUTH AND ADULT CORRECTIONAL AGENCY

5240-001-001—For support of Department of Corrections		1,138,122,000
Schedule:		
(a) 21-Institution Program	1,098,788,000	
(b) 31-Community Correctional Program	96,525,000	
(c) 41.01-Administration	95,990,000	
(d) 41.02-Distributed Administration	−95,821,000	
(e) Reimbursements	−10,737,000	
(f) Amount payable from Special Account for Capital Outlay (item 5240-001-036)	−15,864,000	

Item		Amount
(g)	Amount payable from New Prison Construction Bond Fund (Item 5240-001-723)	−4,250,000
(h)	Amount payable from 1984 Prison Construction Fund (Item 5240-001-724)	−7,236,000
(i)	Amount payable from Federal Trust Fund (Item 5240-001-890)	−208,000
(j)	Amount payable from Inmate Welfare Fund (Item 5240-001-917)	−19,065,000

Provisions:

1. Funds appropriated to accommodate projected institutional population levels in excess of those which actually materialize, if any, shall revert to the General Fund, unless the encumbrance of such funds is authorized by the Department of Finance, not sooner than 30 days after notification in writing of the necessity therefore, to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee.
2. Of the amount appropriated in Schedule (a), $12,489,000 is provided for lease payments and insurance costs as required in connection with issuance of Lease Revenue Bonds, 1985 Series A (Southern Maximum Security Complex).
3. No positions for the new prisons proposed for activation in 1986–87 may be filled prior to 30-days' advance notification to the legislative fiscal committees and the Joint Legislative Budget Committee, or not sooner than whatever lesser time the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may in each instance determine.
4. Notwithstanding any other provision of law, at least 30 days prior to entering into any contract, or amending any existing contract for program management services, the Director of the Department of Corrections shall submit the proposed final contract to the fiscal committees and the Joint Legislative Budget Committee, or prior to whatever lesser time the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may in each instance determine. Program management services include all services provided by the department's capital

Item	Amount

expenditure managers (Kitchell CEM or any successor) to asssist in the planning and implementation of the department's new prison construction program.

4.5. Of the amount appropriated in this item, $1,501,000 is available for physical fitness incentive pay for eligible peace officers. Funds not used for this specific purpose shall revert to the General Fund.

5. None of the funds budgeted in this item for physical fitness incentive pay for eligible personnel shall be encumbered for that purpose prior to establishment by the department of physical fitness testing standards and a plan for implementation of the incentive pay program. The standards and implementation plan shall not take effect prior to 30 days' advance notification to the legislative fiscal committees and the Joint Legislative Budget Committee.

6. Of the amount appropriated in category (a), $11,821,000 is available for contracted inmate medical services. Funds not used for this specific purpose shall revert to the General Fund.

7. Of the amounts appropriated in this item, $300,000 shall be used to provide AIDS-related staff training and development for Department of Corrections personnel.

8. Of the amount appropriated in this item, $5,473,000 is available for the Department of Corrections' interagency contract with the Department of Forestry for the conservation camp program. Funds not needed for this specific purpose because of delays in activation of new camps shall revert to the General Fund. No positions for the new camps may be filled prior to 30 days' advance notification to the legislative fiscal committees and the Joint Legislative Budget Committee, or not sooner than whatever lesser time the Chairperson of the Joint Legislative Budget Committee may in each instance determine.

Item	Amount
9. Funds appropriated to accommodate projected parole population levels in excess of those which actually materialize, if any, shall revert to the General Fund, unless the encumbrance of such funds is authorized by the Department of Finance, not sooner than 30 days after notification in writing of the necessity therefore, to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee.	
10. Of the amount appropriated in category (c), $25,000 shall be available for a study of the effectiveness of the M-2 program. The department shall submit the study to the Legislature by December 1, 1986.	
11. Of the amount appropriated in this item, $300,000 shall be used by the Department of Corrections to contract for a study of the mental health needs of prison inmates pursuant to Chapter 1416 of the Statutes of 1985. Any funds in excess of the amount actually needed for the study shall be available for other consulting and professional services.	
12. The Department of Corrections shall report to the Legislature on the staffing and funding implications of any new court actions in the case of Toussaint v. McCarthy (United States District Court, Northern District of California) within 30 days after the actions have occurred. Any savings resulting from the actions shall revert immediately to the unappropriated surplus of the General Fund.	
13. Of the amount appropriated in this item, $2,163,000 shall be available to provide partial-year staffing, pursuant to the injunction in the case of Toussaint v. McCarthy (United States District Court, Northern District of California), while the Legislature reviews the full-year proposal.	
5240-001-036—For support of Department of Corrections, for transfer to Item 5240-001-001, payable from Special Account for Capital Outlay	15,864,000
5240-001-723—For support of Department of Corrections, for transfer to Item 5240-001-001, payable from New Prison Construction Bond Fund	4,250,000

Item		Amount
5240-001-724—For support of Department of Corrections, for transfer to Item 5240-001-001, payable from 1984 Prison Construction Fund		7,236,000
5240-001-890—For support of Department of Corrections, for transfer to Item 5240-001-001, payable from Federal Trust Fund		208,000
5240-001-917—For support of Department of Corrections, for transfer to Item 5240-001-001, payable from Inmate Welfare Fund		19,065,000
5240-012-001—For a study of inmate-to-staff ratios, Department of Corrections		100,000
Provisions:		
1. Funds appropriated by this item shall be used to contract with the National Council on Crime and Delinquency for a study of institution staffing. The contract shall specify that the study shall be presented to the Legislature by December 1, 1986, and that it should include an analysis of post assignments at least five institutions.		
5240-101-001—For local assistance, Department of Corrections		34,151,000
Schedule:		
(a) 21-Institution Program	5,390,000	
(b) 31-Community Correctional Program	28,761,000	
Provisions:		
1. The amount appropriated by this item is provided for the following purposes:		
a. To pay the transportation costs of prisoners to and between state prisons, including the return of parole violators to prison and for the conveying of persons under provisions of Division 3 (commencing with Section 3000) of the Welfare and Institutions Code and the Western Interstate Corrections Compact (commencing with Section 11190 of the Penal Code), in accordance with the provisions of Section 26749 of the Government Code. Provided, that claims shall be filed by local jurisdictions within six months after the end of the month in which such transportation costs are incurred; and provided further, that expenditures shall be charged to either the fiscal year in which the claim is received by the State Controller or the fiscal year in which the warrant is issued by the State Controller.		

Item		Amount
	Provided further, that claims filed by local jurisdictions directly with the State Controller may be paid by the Controller.	
	b. To pay the expenses of returning fugitives from justice from outside the state, in accordance with the provisions of Sections 1389, 1549 and 1557 of the Penal Code. Provided, that expenditures shall be charged to either the fiscal year in which the claim is received by the State Controller or the fiscal year in which the warrant is issued by the State Controller, and any restitution received by the state for such expenses be credited to the appropriation of the year in which the State Controller's receipt is issued.	
	Provided further, that claims filed by local jurisdictions directly with the State Controller may be paid by the Controller.	
	c. To pay court costs and county charges, payable under Sections 4700, 4700.1, 4700.2, 4700.5 and 6005 of the Penal Code. Provided, that claims shall be filed by local jurisdictions within six months after the end of the month in which a service is performed by the coroner, a hearing is had on the return of a writ of habeas corpus, the district attorney declines to prosecute a case referred by the Department of Corrections, a judgment is rendered for a court hearing or trial, an appeal ruling is rendered for the trial judgment, or an activity is performed as permitted by these sections; and provided further, that expenditures shall be charged to either the fiscal year in which the claim is received by the State Controller or the fiscal year in which the warrant is issued by the State Controller.	
	Provided further, that claims filed by local jurisdictions directly with the State Controller may be paid by the Controller.	
	d. To reimburse counties for the cost of detaining state parolees pursuant to Section 4016.5 of the Penal Code, provided, that expenditures shall be charged to either the fiscal year in which the claim is received by the Department of Corrections or the fiscal year in which the warrant is issued by the State Controller.	

Item		Amount
5240-301-723—For Capital Outlay, Department of Corrections, payable from the New Prison Construction Fund		3,250,000
Schedule:		
(1) 61.01.006—Capital Program Management—Technical and Professional Services	850,000	
(2) 61.13.004.100—California Institution for Women—Special Housing Unit—Additional Construction	2,400,000	
5240-301-724—For Capital Outlay, Department of Corrections, payable from the 1984 Prison Construction Fund		9,379,000
Schedule:		
(1) 61.11.500.861—Richard J. Donovan Correctional Facility at Rock Mountain—Telecommunications System—Equipment	807,000	
(2) 61.17.500-California State Prison, Avenal, Kings County—Telecommunications System—Equipment	784,000	
(3) 61.19.501.861-Northern California Women's Facility—Telecommunications System—Equipment	246,000	
(4) 61.01.800.861-Statewide: Hospital Licensure Projects—Detailed Program Planning	130,000	
(5) 61.01.800.862-Statewide: Hospital Licensure Projects—Preliminary Plans and Working Drawings	392,000	
(6) 61.03.105-California Correctional Center—Sewage Treatment Plant Expansion—Construction	1,202,000	
(7) 61.04.201-California Correctional Institution—Brine Ponds—Preliminary Plans, Working Drawings and Construction	401,000	
(8) 61.05.405-Correctional Training Facility-North—Replace Cell Doors and Locks—Preliminary Plans	52,000	
(9) 61.05.501-Correctional Training Facility—Expand Domestic Water System—Construction	581,000	

Item	Amount
(10) 61.08.501-California Institution for Men—Expand/Rehabilitate Sewage Treatment Plant—Working Drawings and Construction....	2,485,000
(11) 61.12.403-San Quentin State Prison—Sites for Employee Mobile Homes—Preliminary Plans and Working Drawings	96,000
(12) 61.13.505-California Institution for Women—Purchase Additional Sewage Capacity	319,000
(13) 61.13.506-California Institution for Women—Perimeter Fence—Preliminary Plans, Working Drawings and Construction	604,000
(14) 61.14.030 Minor Projects	1,080,000
(15) 61.19.020.861-Northern California Women's Facility—Arch Road Improvement.....	200,000

Provisions:

1. Of the funds appropriated for construction of the new Folsom Prison, $402,000 shall be available for relocation of the rifle range.
2. Funds appropriated in category (15) are for construction of curbs, gutters, and pavement widening and are in augmentation of Chapter 258 of the Statutes of 1984, Item 5240-311-724 (15), as reappropriated by Item 5240-491 of Chapter 111 of the Statutes of 1985. Pursuant to that item, the funds are available for encumbrance until June 30, 1987, for the purposes specified in Provision 2.

5240-490—Reappropriation, Department of Corrections. Notwithstanding any other provisions of law, the unencumbered balances of the appropriations provided in the following citations are reappropriated, on the effective date of this act, for the purposes provided for in those appropriations and any additional purposes provided for in this item, and shall be available for expenditure until June 30, 1987:

723—New Prison Construction Fund:

Budget Act of 1982, Item 5240-301-723:

Item		Amount
	(14) 61.01.014—New Camps: Land Acquisition, EIR, Initial Studies, Schematics, Preliminary Plans, Working Drawings, and Construction. Budget Act of 1982, as amended by Chapter 10, Statutes of 1983 (1st Extraordinary Session):	
	(6) 61.06.004—Deuel Vocational Institute: Remodel Locking Devices—Construction. Chapter 958, Statutes of 1983, subdivision (g), Section 10 as amended by Section 5.5 of Chapter 1743, Statutes of 1984:	
	61.01.017—Conservation and Maintenance Camps authorized pursuant to Assembly Bill 436—Preliminary Plans, Working Drawings, and Construction.	
	Budget Act of 1985, Item 5240-301-723:	
	(5) 61.01.600—Statewide Fire and Life Safety Improvements, Phase I—Preliminary Plans and Working Drawings.	
	Emergency Electrical System Improvements:	
	(6) 61.03.200—California Correctional Center—Preliminary Plans and Working Drawings.	
	(7) 61.04.200—California Correctional Institution—Preliminary Plans and Working Drawings.	
	(8) 61.05.200—Correctional Training Facility—Preliminary Plans and Working Drawings.	
	(9) 61.06.200—Deuel Vocational Institution—Preliminary Plans and Working Drawings.	
	(10) 61.07.200—Folsom State Prison—Preliminary Plans and Working Drawings.	
	(11) 61.08.200—California Institution for Men—Preliminary Plans and Working Drawings.	
	(12) 61.09.200—California Medical Facility—Preliminary Plans and Working Drawings.	
	(13) 61.10.400—California Men's Colony—Preliminary Plans and Working Drawings.	
	(14) 61.12.400—San Quentin State Prison—Preliminary Plans and Working Drawings.	
	(15) 61.13.200—California Institution for Women—Preliminary Plans and Working Drawings.	
	(16) 61.15.200—California Rehabilitation Center—Preliminary Plans and Working Drawings.	
	(17) 61.16.200—Sierra Conservation Center—Preliminary Plans and Working Drawings.	
724—Prison Construction Fund:		
	Budget Act of 1984, Item 5240-301-724:	

Item		Amount
(3) 61.05.033.841—Correctional Training Facility —Sewage treatment plant expansion—construction.		
5240-495—Reversion, Department of Corrections. Notwithstanding any other provision of law, as of June 30, 1986, the undisbursed balance in excess of unliquidated encumbrances, including any such balance in the Architectural Revolving Fund, of the appropriations provided in the following citations, shall revert to the unappropriated surplus of the fund from which the appropriation was made:		
036—Special Account for Capital Outlay: Item 5240-301-036, Budget Act of 1985:		
(3) 61.05.501-Correctional Training Facility—Expand Domestic Water System—Construction		
(6) 61.08.501-California Instutition for Men—Expand/Rehabilitate Sewage Treatment Plant —Preliminary Plans, Working Drawings, and Construction		
(10) 61.13.505-California Instutition for Women—Purchase Additional Sewage Capacity		
5430-001-001—For support of Board of Corrections		496,900
Schedule:		
(a) 11-Standards for Detention Facilities	496,900	
(b) 12-County Jail Construction Financing Program	873,000	
(c) 21-Standards and Training for Local Officers	1,599,700	
(d) Program 31.01-Administration	482,000	
(e) Program 31.02-Distributed Administration	−482,000	
(f) Amount payable from the Corrections Training Fund (Item 5430-001-170)	−1,599,700	
(g) Amount payable from the County Jail Capital Expenditure Fund (Item 5430-001-725)	−873,000	
5430-001-170—For support of Board of Corrections, for transfer to Item 5430-001-001, payable from Corrections Training Fund		1,599,700
5430-001-725—For support of Board of Corrections, for transfer to Item 5430-001-001, payable from County Jail Capital Expenditure Fund, Bond Act of 1981		873,000
5430-101-170—For local assistance, Board of Corrections, payable from Corrections Training Fund, Program 21		10,499,000

Item		Amount
5430-101-725—For local assistance, Board of Corrections, payable from the County Jail Capital Expenditure Fund, Bond Act of 1981, Program 12....		23,327,000
5440-001-001—For support of Board of Prison Terms, Program 10		7,950,000
5450-001-001—For support of Youthful Offender Parole Board, Program 10		2,880,000
Provisions:		
1. Notwithstanding any other provision of law, the Youthful Offender Parole Board shall not implement new regulations to increase parole consideration dates for the Department of the Youth Authority wards until 30 days after submission of the department's report on options for ward population management to the appropriate legislative fiscal and policy committees and the Chairperson of the Joint Legislative Budget Committee.		
5460-001-001—For support of Department of the Youth Authority		254,369,000
Schedule:		
(a) 10-Prevention and Community Corrections	4,290,820	
(b) 20-Institutions and Camps.....	236,971,600	
(c) 30-Parole Services	27,816,580	
(d) 50.01-Administration.....	14,310,000	
(e) 50.02-Distributed Administration..	−14,015,000	
(f) Reimbursements.....	−13,035,000	
(g) Amount payable from the Federal Trust Fund (Item 5460-001-890)	−870,000	
(h) Amount payable from the State Account for Capital Outlay (Item 5460-001-036)	−1,100,000	
Provision:		
1. None of the $682,000 budgeted in this item for physical fitness incentive pay for eligible personnel shall be expended for that purpose prior to establishment of physical fitness testing standards and a plan for implementation of the incentive pay program. The standards and implementation plan shall not take effect prior to 30 days advance notification to the legislative fiscal committees and the Joint Legislative Budget Committee.		
5460-001-036—For Support, Department of the Youth Authority, for transfer to Item 5460-001-001, payable from the State Account for Capital Outlay....		1,100,000

0 40 5600 0

Item		Amount
5460-001-890—For support, Department of the Youth Authority, for transfer to Item 5460-001-001, payable from the Federal Trust Fund		870,000
5460-101-001—For local assistance, Department of the Youth Authority		72,911,000
Schedule:		
(a) 10-Prevention and Community Corrections	69,605,000	
(b) 20-Institutions and Camps	95,000	
(c) 30-Parole Services	3,211,000	

Provisions:

1. Of the amount appropriated within Schedule (a), $2,307,000 is available to contract with public or private agencies engaged in prevention of delinquency, as authorized by Article 5.5 (commencing with Section 1790) and Article 10 (commencing with Section 1900) of Chapter 1 of Division 2.5 of the Welfare and Institutions Code, Department of the Youth Authority.
2. Of the amount appropriated within Schedule (a), $67,298,000 is provided to assist counties in the operation of programs pursuant to the County Justice System Subvention Program in accordance with Article 7 (commencing with Section 1805) of Chapter 1 of Division 2.5 of the Welfare and Institutions Code, Department of the Youth Authority. Notwithstanding any other provision of law, any county receiving funds from the County Justice System Subvention Program shall use those funds in the 1986–87 fiscal year for purposes specified in Section 1806 of the Welfare and Institutions Code.
3. Of the amount appropriated within Schedule (b), $95,000 is available to pay the transportation costs of persons committed to the Department of the Youth Authority to or between its facilities, including the return of parole violators; provided, that expenditures made under this item shall be charged to either the fiscal year in which the claim is received by the State Controller or the fiscal year in which the warrant is issued by the State Controller.

Item		Amount
4. Of the amount appropriated within Schedule (c), $3,211,000 is available to reimburse counties for the cost of the detention of Youth Authority parolees, who are detained on alleged parole violations, pursuant to Section 1776 of the Welfare and Institutions Code, provided, that expenditures made under this item shall be charged to either the fiscal year in which the claim is received by the State Controller or the fiscal year in which the warrant is issued by the State Controller.		
5460-301-001—For Capital Outlay, Department of the Youth Authority, payable from the General Fund Schedule:		58,000
(1) 60.90.010—Minor Projects	58,000	
5460-301-036—For Capital Outlay, Department of the Youth Authority, payable from the Special Account for Capital Outlay		1,422,000
Schedule:		
(1) 60.01.005-Pre-Planning for New Youth Institution—Site Studies and Reports, EIR, Master Planning, Architectural Programming Schematics, and Acquire Site Options	606,000	
(3) 60.02.020-Preston School of Industry—Pre-Camp Facility-Environmental Reports and Preliminary Plans	109,000	
(4) 60.52.015-El Paso De Robles School-Youth Conservation Camp —Working Drawings	79,000	
(5) 60.52.020-El Paso De Robles School-Living Unit and Education Facility—Environmental Reports and Preliminary Plans	150,000	
(6) 60.54.015-Fred C. Nelles School-Living Unit and Education Facility—Working Drawings	156,000	
(7) 60.58.015-Ventura School-Public Service Living Unit—Environmental Reports and Preliminary Plans	153,000	
(8) 60.71.005-Fenner Canyon Camp-Replace Barracks—Working Drawings	101,000	
(9) 60.90.010-Minor Projects	68,000	

Item		Amount
5460-301-746—For Capital Outlay, Department of the Youth Authority, payable from the 1986 Prison Construction Fund		14,284,000
Schedule:		
(1) 60.02.015—Preston School of Industry—Renovate Infirmary Building—Construction	992,000	
(1.5) 60.02.020-Preston School of Industry-Precamp Facility-Working Drawings	208,000	
(2) 60.52.010—El Paso de Robles School—New Maintenance Building—Construction	1,740,000	
(3) 60.52.015.861—El Paso de Robles School—Youth Conservation Camp—Construction	2,070,000	
(4) 60.52.015.862—El Paso de Robles School—Offsite Utilities—Construction	99,000	
(4.5) 60.52.020-El Paso de Robles School-Living Unit and Education Facility-Working Drawings	200,000	
(5) 60.54.015—Fred C. Nelles School—Living Unit and Education Facility—Construction	4,057,000	
(6) 60.58.010—Ventura School—Enlarge Visiting Room—Construction	372,000	
(6.5) 60.58.015-Ventura School-Public Service Living Unit-Working Drawings	197,000	
(7) 60.71.005—Fenner Canyon Camp—Replace Barracks—Construction	2,009,000	
(8) 60.90.010—Minor Projects	2,340,000	
Provisions:		
1. Funds appropriated for working drawings for the Precamp Facility at the Preston School of Industry, the Living Unit and Education Facility at the El Paso de Robles School, and the Public Service Living Unit at the Ventura School shall be available for expenditure if these projects conform to the program objectives and facilities requirements detailed in the Department of the Youth Authority Facilities Master Plan to be submitted to the Joint Legislative Budget Committee by November 1, 1986.		

0 40 5640 0

Item Amount

2. Funds appropriated for security projects under category (8) are only available for expenditure if the projects conform to the Department of the Youth Authority Statewide Security Plan to be submitted to the Joint Legislative Budget Committee by October 1, 1986.

5460-490—Reappropriation, Department of the Youth Authority. Notwithstanding any other provisions of law, the undisbursed balances of the appropriations provided in the following citations are reappropriated, on the effective date of this act, for the purposes provided for in those appropriations, and any additional purposes provided for in this item, and shall be available for expenditure until June 30, 1987:

036—Special Account for Capital Outlay, Item 5460-301-036, Budget Act of 1985:

(6) 60.90.010—Minor Projects

5460-495—Reversion, Department of the Youth Authority. Notwithstanding any other provision of law, as of June 30, 1986, the unencumbered balance of the appropriations provided in the following citations shall revert to the unappropriated surplus of the fund from which the appropriation was made:

036—Special Account for Capital Outlay: Budget Act of 1985, Item 5460-301-036:

(1) 60.52.010-El Paso de Robles School-New Maintenance Building—Construction.

EDUCATION

6100-001-001—For support of Department of Education		37,995,000
Schedule:		
(a) 10-Instruction	29,126,000	
(b) 20-Instructional Support	30,137,000	
(c) 30-Special Programs	14,978,000	
(d) 41.00-Executive Management and Special Services	7,047,000	
(e) 42.01-Department Management and Special Services	27,217,000	
(f) 42.02-Distributed Department Management and Special Services	−27,217,000	
(g) Reimbursements	−4,097,000	
(h) Amount payable from Federal Trust Fund (Item 6100-001-890)	−40,046,000	
(i) 97.20 Unallocated	850,000	

Item Amount

Provisions:

10-Instruction:

1. Notwithstanding Section 33403 of the Education Code, or any other provision of law, no funds appropriated pursuant to this act shall be used by the Department of Education to prepare evaluation reports on the following programs during the 1986–87 fiscal year:
   (a) Professional development and program improvement centers.
   (b) Indian education centers.
   (c) Alternative schools.
   (d) Bilingual teacher corps.
   (e) Demonstration programs in reading and mathematics.
2. Of the funds appropriated in this item, $80,400 shall be utilized for California's participation in the Education Commission of the States.
3. Of the funds appropriated in this item, $575,000 shall be available only for the state's defense costs in the Serrano litigation and shall be expended only upon the approval of the Director of Finance.
4. Of the funds appropriated in this item, $100,000 shall be available for administrative costs associated with Project Work-Ability II.
5. Of the funds appropriated in this item, $90,000 is available during the 1986–87 fiscal year to strengthen the Independent Study Program. Such activities shall be limited to operations and equipment expenditures for the purpose of 1) implementing a Corrective Action Plan which addresses deficiencies in program compliance and quality previously identified by the Department of Education and Department of Finance, 2) developing and revising standards and guidelines for inclusion in the publication, A Manual of Operational Procedures and Curriculum Guide for Contract Independent Study, 3) providing technical assistance to school districts regarding successful model programs for Independent Study, and 4) collecting and analyzing program data for the purpose of improving program compliance and quality.

   Prior to the expenditure of any portion of these funds, the Department of Education shall submit to the Department of Finance 1) an ex-

Item Amount

penditure plan addressing the manner in which funds will be used for the activities described above, and 2) a work plan which outlines the objectives, study methodology and implementation plan and timetable proposed by the Department of Education in the Corrective Action Plan previously identified in this provision.

6. Of the funds appropriated in this item, $80,000 is available only for reimbursement of travel expenses and data processing costs of the Special Education Task Force. In no case shall reimbursement of travel expenses exceed the rates established for state employees. This task force shall be selected by the Superintendent of Public Instruction, or his designee, for the purpose of analyzing special education cost data. The task force shall be chaired by the Superintendent's designee, and the Department of Education shall provide all necessary staff and support to the task force. If the task force determines that additional data are necessary, the department will provide survey instruments and the required support for such surveys. The study shall include, but not be limited to, the following activities:
   (a) Compare and contrast the special education funding models used in comparable states.
   (b) Determine the validity of the reported cost data.
   (c) Develop a method for determining which variations in expenditures among local education agencies are due to differences in service levels, as opposed to local differences in costs.
   (d) Develop a method to determine the cost of providing a standard level of service, based upon a range of service levels.

   The task force shall submit a report no later than March 1, 1987, to both the Joint Legislative Budget Committee and the Department of Finance. The report shall include the findings of the task force and shall present several alternatives to the existing funding model for special education.

Item Amount

7. For the purpose of conducting the special education study authorized in provision 6, the Special Education Task Force shall be authorized to collect whatever additional data from local education agencies that it deems necessary.
8. Of the funds appropriated in Item 6100-001-890, up to $100,000 shall be used for the purposes of funding a project to assess the hazards of toxic substances in schools and disseminate this information to school districts via the county offices of education. The Superintendent of Public Instruction shall report to the Joint Legislative Budget Committee by November 1, 1986, regarding the status of this project.
9. Of the funds transferred from Item 6100-001-890, an amount not to exceed $1,251,000 shall be available only for support of the California Assessment Program. The Director of Finance may authorize the augmentation of the amount available for this purpose, provided that such augmentation may not be authorized sooner than 30 days after the notification in writing of the necessity therefor to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may in each instance determine.
10. Of the funds included in this item, an amount not to exceed $2,757,000 shall be available only for support of the California Assessment Program. The Director of Finance may authorize the augmentation of the amount available for this purpose, provided that such augmentation may not be authorized sooner than 30 days after the notification in writing of the necessity therefor to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may in each instance determine.

Item	Amount
12. Of the funds appropriated in this item, $225,000 shall be available for the implementation of a plan for the transfer of data processing activities from Stanford University to the Teale Data Center, upon written approval of the Department of Finance and no sooner than 30 days after notification of the authorization to the Joint Legislative Budget Committee.	
13. The State Department of Education and the State Department of Health Services shall jointly develop and implement regulations and guidelines (1) concerning the treatment of children affected with AIDS attending California schools and (2) AIDS education for school children.	
6100-001-178—For support of the Department of Education, Program 20—Instructional Support, for the purpose of conducting school bus driver instructor training as provided in Section 1204 of the California Administrative Code, payable from the Driver Training Penalty Assessment Fund	633,000
6100-001-305—For support of Department of Education, Program 30.30—Postsecondary Education, payable from the Private Postsecondary Education Administration Fund	924,000
Provisions:	
1. Funds provided by this item are for support of the Office of Private Postsecondary Education and the Private Postsecondary Education Council pursuant to Chapter 791, Statutes of 1981.	
6100-001-344—For support of Department of Education, Program 20—Instructional Support, payable from the State School Building Lease-Purchase Fund	716,000
6100-001-464—For support of Department of Education, Program 20.10.045.001—Drug and Alcohol Abuse Prevention, payable from the First Offender Program Evaluation Fund	13,000
6100-001-687—For support of Department of Education, for the California State Agency for Donated Food Distribution, Program 30.50—Food Distribution, payable from the Donated Food Revolving Fund	13,434,000
6100-001-890—For support of Department of Education, for transfer to Item 6100-001-001 payable from the Federal Trust Fund	40,046,000

Item	Amount
Provisions: 1. Of the funds appropriated in this item, $1,047,-874 of the 1986–87 Federal Vocational Education Act funds shall be transferred to the community colleges by means of interagency agreements. These funds shall be used by the community colleges for the administration of vocational education programs.	
6100-006-001—For support of Department of Education as allocated by the Department of Education to the State Special Schools, Program 10.60.040	39,530,000
Schedule: (a) 10-Instruction ..... 43,493,000 (b) Reimbursements ..... −3,963,000	
Provisions: 1. On or before January 15 of each year the Superintendent of each State Special School shall report to each district the number of pupils from that district that are attending a State Special School, and the estimated payment due on behalf of the district for those pupils pursuant to Education Code Section 59300. The State Controller shall withhold from the State School Fund in the first principal apportionment of that fiscal year the amount due from each school district as reported to the Controller by the Superintendent of Public Instruction. The amount withheld shall be transferred from the State School Fund to Item 6100-006-001 which supports the State Special Schools. The Superintendent of Public Instruction is authorized to adjust the estimated payments required after the close of the fiscal year by reporting to the State Controller the information needed to make the adjustment.	
6100-007-001—For support of Department of Education as allocated by the Department of Education to the State Special Schools for student transportation allowances	529,000
Provisions: 1. Funds appropriated in this item are in lieu of funds which would otherwise be transferred from the General Fund to Section A of the State School Fund in accordance with provisions of Sections 14007 and 41301.5 of the Education Code.	

Item		Amount
6100-011-001—For support of Department of Education, California State Library, Division of Libraries, and California Library Services Board		10,669,000
Schedule:		
(a) 50-Library Services	12,048,000	
(b) Reimbursements	−13,000	
(c) Amount payable from the Federal Trust Fund (Item 6100-011-890)	−1,366,000	
Provisions:		
1. Of the funds transferred from Item 6100-011-890 for preservation of historic California newspapers, the State Librarian shall utilize funds for microfilming newspapers now available in the State Library prior to purchasing commercially available newspapers.		
6100-011-890—For support of Department of Education, for transfer to Item 6100-011-001, payable from the Federal Trust Fund		1,366,000
6100-015-001—For support of Department of Education instructional materials warehousing and shipping costs, Program 20.20.020—Instructional Materials Management and Distribution		297,000
Provisions:		
1. Funds appropriated by this item are for transfer by the Controller, to the State Instructional Materials Fund, for allocation during the 1986–87 fiscal year, pursuant to Article 3 (commencing with Section 60240) of Chapter 2 of Part 33 of the Education Code. These funds shall be transferred to the State Instructional Materials Fund by the Controller in amounts claimed by the Department of Education.		
2. Funds appropriated by this item for the Instructional Materials Management and Distribution Program shall be transferred for direct disbursement by the Department of Education from the State Instructional Materials Fund.		
6100-021-001—For support, Department of Education Program 30.20—Child Nutrition		580,000
Provisions:		
1. Notwithstanding Section 41312 of the Education Code, the funds appropriated in this item are in lieu of the apportionment of funds specified in Section 41353 of the Education Code, for state administrative expenses related to nutrition education projects.		

Item	Amount
6100-101-001—For local assistance, Department of Education, for transfer to Section A of the State School Fund, Program 10.10—School Apportionments.....	7,551,298,000
Schedule:	
(a) Program 10.10.001.001—School Apportionments, for the purposes of Section 42238 of the Education Code	7,315,636,000
(b) Program 10.10.001.002—School Apportionments, in addition to the amount appropriated in category (a) of this item, for the purposes of subdivision (f) of Section 42238 of the Education Code	14,556,000
(c) Program 10.10.001.003—School Apportionments, for Small School District Transportation Aid, for the purposes of Section 42240 and Section 42240.1 of the Education Code	19,891,000
(d) Program 10.10.001.004—School Apportionments, for Meals for Needy Pupils programs, for the purposes of Article 10.5 (commencing with Section 49550) of Chapter 9 of Part 27 of the Education Code.....	24,423,000
(e) Program 10.10.001.005—School Apportionments, for apprentice programs, for the purposes of Section 8153 of the Education Code..	2,663,000
(f) Program 10.10.011—School Apportionments, for summer school programs, for the purposes of Section 42239 of the Education Code	66,261,000
(g) Program 10.10.001.007—School Apportionments, for the purposes of Article 8 (commencing with Section 46200) of Chapter 2 of Part 26 of the Education Code	107,868,000
Provisions:	
1. Funds appropriated by this item are for transfer by the State Controller to Section A of the State School Fund, in lieu of the amount which would otherwise be appropriated for transfer from the General Fund in the State Treasury to Section A of the State School Fund for the 1986–87 fiscal	

Item Amount

year pursuant to Sections 14002, 14004, and 41301 of the Education Code, an amount as needed, in addition to sums accruing to Section A of the State School Fund from other sources for the purposes specified herein, for apportionment pursuant to Section 8153, Section 42238, Section 42239, and Section 42240.1 of the Education Code.

4. Notwithstanding Section 8154 of the Education Code, or any other provision of law, the funds specified in Schedule (e) of this item and Schedule (a) (5) of Item 6100-226-001 shall be the only funds available for the apprentice programs operated by K–12 school districts.
5. Notwithstanding Section 8152 of the Education Code, each 60-minute hour of teaching time devoted to each indentured apprentice enrolled in and attending classes of related and supplemental instruction as provided under Section 3074 of the Labor Code shall be reimbursed at the rate of $3.65 per hour. For purposes of this division, each hour of teaching time may include up to 10 minutes for passing time and breaks.
6. Notwithstanding any other provision of law, the county superintendent shall reduce the total revenue limit computed pursuant to Section 42238 of the Education Code by the amount of the decreased employer contributions to the Public Employees' Retirement System resulting from enactment of Chapter 330 of the Statutes of 1982, adjusted for any changes in those contributions resulting from subsequent changes in employer contribution rates that occurred prior to January 1, 1986.

   The reduction shall be calculated as follows:

   (a) Determine the amount of employer contributions which would have been made in the 1985–86 fiscal year if the applicable Public Employees' Retirement System employer contribution rate in effect immediately prior to the enactment of Chapter 330 of the Statutes of 1982 were in effect during the 1985–86 fiscal year.
   (b) Subtract from the amount determined in paragraph (a) the greater of subparagraph (1) or (2):
      (1) The amount of employer contributions

Item Amount

which would have been made in the 1985–86 fiscal year if the applicable Public Employees' Retirement System employer contribution rate in effect immediately after the enactment of Chapter 330 of the Statutes of 1982 were in effect during the 1985–86 fiscal year.

(2) The actual amount of employer contributions made to the Public Employees' Retirement System in the 1985–86 fiscal year.

(c) For purposes of this provision, employer contributions to the Public Employees' Retirement System for any of the following shall be excluded from the calculation specified above:

(1) Positions supported totally by federal funds which were subject to supplanting restrictions.

(2) Positions supported by funds received pursuant to Section 42243.6 of the Education Code.

(3) Positions supported, to the extent of employer contributions not exceeding $25,000 by any single educational agency, from a revenue source determined on the basis of equity to be properly excludable from the provisions of this subdivision by the Superintendent of Public Instruction with the approval of the Director of Finance.

(d) For accounting purposes, the reduction made by this provision may be reflected as an expenditure from appropriate sources of revenue as directed by the Superintendent of Public Instruction.

7. Notwithstanding paragraph (4) of subdivision (b) of Section 42238 of the Education Code, for, each school district which in 1985–86 received an apportionment pursuant to subdivision (a) of Section 46201 of the Education Code the county superintendent shall, in 1986–87, add to the district's base revenue limit per unit of average daily attendance the amount received in 1985–86 pursuant to subdivision (a) of Section 46201 of the Education Code divided by the sum of para-

Item Amount

graphs (a) and (b).

(a) The district's average daily attendance for 1985–86 computed pursuant to Section 42238.5 of the Education Code.

(b) The units of average daily attendance in 1985–86 resulting from pupils attending schools funded pursuant to Article 4 (commencing with Section 42280) of the Education Code.

8. Notwithstanding paragraph (4) of subdivision (b) of Section 42238 of the Education Code, for, each school district which in 1984–85 received an apportionment pursuant to subdivision (a) of Section 46201 of the Education Code the county superintendent shall, for calculations or recalculations of the district's 1985–86 base revenue limit per unit of average daily attendance, add to the district's base revenue limit per unit of average daily attendance the amount received in 1984–85 pursuant to subdivision (a) of Section 46201 of the Education Code divided by the sum of paragraphs (a) and (b).

(a) The district's average daily attendance for 1984–85 computed pursuant to Section 42238.5 of the Education Code.

(b) The units of average daily attendance in 1984–85 resulting from pupils attending schools funded pursuant to Article 4 (commencing with Section 42280) of the Education Code.

9. Notwithstanding paragraph (3) of subdivision (b) of Section 42238 of the Education Code, for, each school district which in 1984–85 received an apportionment pursuant to subdivision (a) of Section 46200 of the Education Code the county superintendent shall, for calculations or recalculations of the district's 1985–86 base revenue limit per unit of average daily attendance add to the district's base revenue limit per unit of average daily attendance the amount received in 1984–85 divided by the sum of paragraphs (a) and (b).

(a) The district's average daily attendance for 1984–85 computed pursuant to Section 42238.5 of the Education Code.

(b) The units of average daily attendance for 1984–85 resulting from pupils attending schools funded pursuant to Article 4 (com-

Item	Amount

mencing with Section 42280) of the Education Code.

10. Notwithstanding subdivision (b) of Section 42238 of the Education Code and Section 42238.10 of the Education Code, the base revenue limit for the 1986–87 fiscal year shall be determined by adding to the base revenue limit for the 1985–86 fiscal year the following amounts:
    (a) The inflation adjustment specified in Section 42238.1 of the Education Code.
    (b) The equalization adjustment specified in provision 13 of this item.
    (c) The amount computed pursuant to Provision 7 of this item.
11. Notwithstanding subdivision (b) of Section 46200 of the Education Code, for any school district which received an apportionment pursuant to subdivision (a) of Section 46200 of the Education Code and which offers less than 180 days of instruction in the 1986–87 fiscal year, the Superintendent of Public Instruction shall reduce the base revenue limit per unit of average daily attendance for 1986–87 by an amount attributable to the increase received pursuant to subdivision (a) of Section 46200, as adjusted.
12. Notwithstanding Subdivision (e) of Section 42239 of the Education Code, for the 1986–87 fiscal year, the Superintendent of Public Instruction shall allocate a minimum of $5,000 for supplemental summer school programs in those districts whose prior year enrollment was less than 500 and that, in the 1986–87 fiscal year, offer at least 1,500 hours of supplemental summer school instruction. A small school district, as defined above, that offers less than 1,500 hours of supplemental summer school offerings shall receive a proportionate reduction in its allocation. For the purpose of this provision, supplemental summer school programs shall be defined as programs authorized under paragraph (2) of subdivision (d) of Section 42239 of the Education Code.
13. Of the amount appropriated in schedule (a) of this item, $21,600,000 shall be available for allocation according to the following method:
    (a) For the 1986–87 fiscal year, the county

Item Amount

superintendent shall compute an equalization adjustment for each district so that no district's base revenue limit per unit of average daily attendance is less than the 1985–86 fiscal year statewide average base revenue limit for the appropriate size and type of district listed in subdivision (b) plus the inflation adjustment specified in Section 42238.1 for the 1986–87 fiscal year for the appropriate type of district. For purposes of this section, the district base revenue limit and the statewide average base revenue limit shall not include any amounts attributable to Section 44492, Section 45023.4, and paragraphs (3) and (4) of subdivision (b) of Section 42238 of the Education Code for 1986–87 or any prior fiscal year.

(b) For purposes of subdivision (a), districts shall be grouped according to size and type as follows:

District	ADA
Elementary	less than 101
Elementary	more than 100
High School	less than 301
High School	more than 300
Unified	less than 1,501
Unified	more than 1,500

(c) The Superintendent of Public Instruction shall compute a revenue limit equalization adjustment for each school district's base revenue limit per unit of average daily attendance in the 1986–87 fiscal year, as follows:

(1) Add the products of the amount computed for each school district by the county superintendent pursuant to subdivision (a) and the average daily attendance used to calculate the district's revenue limit for the 1986–87 fiscal year.

(2) Divide the amount appropriated for purposes of this section for the 1986–87 fiscal year by the amount computed pursuant to paragraph (1).

Item Amount

(3) Multiply the amount computed for the school district pursuant to subdivision (a) and the amount computed pursuant to paragraph (2).

14. The Superintendent of Public Instruction may reallocate the unexpended balance, if any, of the funds appropriated in schedule (f) of this item to fully fund hours of instruction provided by a school district to secondary students in summer school programs authorized by paragraph (2) of subdivision (d) of Section 42239 of the Education Code that exceed the maximum number of hours for which a school district is eligible for reimbursement.

In no event shall any school district receive reimbursement pursuant to this provision for pupil attendance in summer school programs exceeding an amount equal to 10 percent of the district's total enrollment for the prior fiscal year times 120 hours, times the hourly rate for the current fiscal year.

15. Notwithstanding any other provision of law, for the 1986–87 fiscal year, after calculating the increase specified in Section 42287 of the Education Code, the Superintendent of Public Instruction shall increase the funding amounts specified in Sections 42281, 42282, and 42284 of the Education Code by the product of paragraphs (a) and (b).

(a) The amount per unit of average daily attendance received by the district pursuant to Section 46200 of the Education Code in 1984–85, as increased annually by the appropriate percentage inflation adjustments.

(b) The average daily attendance for each "necessary small school" or "necessary small high school" for which the district receives funding in the 1986–87 fiscal year pursuant to Sections 42281, 42282, and 42284 of the Education Code.

Item Amount

16. Notwithstanding any other provision of law, for the 1986–87 fiscal year, after calculating the increase specified in Section 42287 of the Education Code, the Superintendent of Public Instruction shall increase the funding amounts specified in Sections 42281, 42282, and 42284 of the Education Code by the product of paragraphs (a) and (b).
    (a) The sum of the amounts per unit of average daily attendance received by the district pursuant to Section 46201 of the Education Code in the 1984–85 and 1985–86 fiscal years, as increased annually by the appropriate percentage inflation adjustments.
    (b) The average daily attendance for each "necessary small school" or "necessary small high school" for which the district receives funding in the 1985–86 fiscal years, pursuant to Sections 42281, 42282, and 42284 of the Education Code.
17. Notwithstanding any other provision of law, for the 1986–87 fiscal year, after calculating the amount specified in Section 42287 of the Education Code, the Superintendent of Public Instruction shall increase the funding amounts specified in Sections 42281, 42282, and 42284 of the Education Code by the product of paragraphs (a) and (b).
    (a) The sum of the amounts per unit of average daily attendance received by the district pursuant to Section 45023.4 of the Education Code in prior fiscal years, as increased annually by the appropriate percentage inflation adjustments.
    (b) The average daily attendance for each "necessary small school" or "necessary small high school" for which the district receives funding in the 1985–86 fiscal year pursuant to Sections 42281, 42282, and 42284 of the Education Code.
18. Notwithstanding any other provision of law, in addition to the reduction made pursuant to Provision 6 of this item, the county superintendent shall reduce the total revenue limit computed pursuant to Section 42238 of the Education Code by the amount of the decreased

Item Amount

employer contributions to the Public Employees' Retirement System resulting from the applicable employer contribution rate reduction made subsequent to January 1, 1986.

The reduction shall be calculated as follows:

(a) Determine the amount of employer contributions which would have been made in the 1986–87 fiscal year if the applicable Public Employees' Retirement System employer contribution rate in effect immediately prior to the reduction made subsequent to January 1, 1986, were in effect during the 1985–86 fiscal year.

(b) Subtract from the amount determined in paragraph (a) the greater of subparagraph (1) or (2) below:

(1) The amount of employer contributions which would have been made in the 1986–87 fiscal year if the applicable Public Employees' Retirement System employer contribution rate in effect immediately after the applicable rate reduction made subsequent to January 1, 1986, where in effect during the 1986–87 fiscal year.

(2) The actual amount of employer contributions made to the Public Employees' Retirement System in the 1986–87 fiscal year.

(c) For purposes of this provision, employer contributions to the Public Employees' Retirement System for any of the following shall be excluded from the calculation specified above:

(1) Positions supported entirely by federal funds which were subject to supplanting restrictions.

(2) Positions supported by funds received pursuant to Section 42243.6 of the Education Code.

(3) Positions supported, to the extent of employer contributions not exceeding $25,000 by any single educational agency, from a revenue source determined on the basis of equity to be properly excludable from the provisions of this subdivision by the Super-

Item Amount

intendent of Public Instruction with the approval of the Director of Finance.

(d) For accounting purposes, the reduction made by this provision may be reflected as an expenditure from appropriate sources of revenue as directed by the Superintendent of Public Instruction.

(e) It is the intent of the Legislature to provide additional funding for school district apportionments in the event of an increase in the employer contribution rate to the Public Employees' Retirement System.

19. Notwithstanding any other provision of law, the Superintendent of Public Instruction shall, for purposes of allocating funds to the Lerdo Elementary School District pursuant to Section 42238 of the Education Code, use the district's 1984–85 average daily attendance.

20. Of the funds appropriated in Schedule (a), the Superintendent of Public Instruction shall allocate an amount pursuant to this provision by making the following computations for each school district:

(a) For the 1985–86 fiscal year, the amount computed pursuant to subdivision (c) or (d), as appropriate, of Section 42238 of the Education Code utilizing the inflation adjustment prescribed by Section 42238.1 of the Education Code, plus the sum of the following:

(1) The amount computed pursuant to subdivision (f) of Section 42238 of the Education Code;

(2) The amount computed pursuant to Section 42238.7 of the Education Code, as it read in the 1984–85 fiscal year;

(3) The amount computed pursuant to Section 42238.8 of the Education Code;

(4) The amount computed pursuant to Section 45023.4 of the Education Code; and

(5) The amount computed pursuant to provision 17 of Item 6100-101-001 of the Budget Act of 1985.

Item		Amount
	(b) For the 1986–87 fiscal year, the amount computed pursuant to subdivision (c) or (d), as appropriate, of Section 42238 of the Education Code utilizing the inflation adjustment prescribed by Provision 2 of Item 6100-226-001, plus the amount computed pursuant to subdivision (f) of Section 42238 of the Education Code.	
	(c) Subtract the amount determined in paragraph (b) from the amount determined in paragraph (a). If the amount is greater than zero, except as provided in paragraph (d), the Superintendent of Public Instruction shall add the amount to the school district revenue limit.	
	(d) In no event shall the amount added to the school district's revenue limit pursuant to paragraph (c) allow any district to receive an amount per unit of average daily attendance which exceeds 1.4 times the statewide average revenue limit per unit of average daily attendance for that type of district.	
6100-101-814—For local assistance, Department of Education, for allocation by the State Controller in accordance with the provisions of Government Code Section 8880.5 as enacted by the voters in Proposition 37 at the November 1984 General Election, payable from the California State Lottery Education Fund		330,900,000
Provisions:		
1. All funds received pursuant to Proposition 37 that are allocable to K–12 local education agencies pursuant to Section 8880.5 of the Government Code and that are in excess of the amount appropriated in this item, are hereby appropriated in augmentation of this item.		
6100-101-890—For local assistance, Department of Education, Federal Block Grant payable from the Federal Trust Fund		40,444,000
Schedule:		
(a) 10-Instruction	38,687,000	
(b) 20-Instructional support	1,757,000	

Item Amount

Provisions:

1. Of the funds appropriated by this item, $300,000 shall be allocated as a grant by the Superintendent of Public Instruction to a private, nonprofit foundation for the purpose of conducting a program on youth and the administration of justice in at least 150 school districts. These funds shall be allocated in four equal installments during the 1986–87 fiscal year on September 1, December 1, February 1, and May 1.

6100-102-001—For local assistance, Department of Education for transfer to Section A of the State School Fund, for the purposes of Article 1 (commencing with Section 52300) of Chapter 9 of Part 28 of the Education Code, Program 10.10.004—School Apportionments, Regional Occupational Centers and Programs 203,363,000

Provisions:

1. Notwithstanding any provision of law to the contrary, the funds appropriated by this item are for transfer by the State Controller to Section A of the State School Fund, in lieu of the amount which would otherwise be appropriated for transfer from the General Fund in the State Treasury to Section A of the State School Fund for the 1986–87 fiscal year pursuant to Sections 14002 and 14004 of the Education Code, an amount as needed for apportionment pursuant to Article 1 (commencing with Section 52300) of Chapter 9 of Part 28 of the Education Code.
2. For the 1986–87 fiscal year, the Superintendent of Public Instruction shall allocate the funds appropriated in this item in the following manner:
   (a) The Superintendent of Public Instruction shall certify for apportionment an amount necessary to fund the adjustments authorized pursuant to Section 52324.6 of the Education Code relating to necessary small regional occupational programs.
   (b) The Superintendent of Public Instruction shall certify for apportionment to each regional occupational center and program (ROC/P) an amount calculated as follows:
      (1) Calculate a revenue limit per unit of average daily attendance for each ROC/P in the 1986–87 fiscal year equal to the 1985–86 fiscal year base revenue

Item		Amount
	limit per unit of average daily attendance for each ROC/P, increased by the percentage inflation adjustment provided in the Budget Act for the operation of ROC/Ps. (2) Calculate a 1986–87 fiscal year revenue limit per unit of average daily attendance for the purpose of funding ROC/P program growth equal to the 1985–86 fiscal year base revenue limit per unit of average daily attendance for the purpose of funding ROC/P program growth, increased by the percentage inflation adjustment provided in the Budget Act for the operation of ROC/Ps. (3) Multiply the ROC/P's 1986–87 fiscal year base revenue limit per unit of average daily attendance by the ROC/P's 1986–87 fiscal year annual average daily attendance that is equal to or less than the ROC/P's 1982–83 fiscal year base annual average daily attendance. (4) For annual average daily attendance in the 1986–87 fiscal year that is greater than the 1982–83 fiscal year base annual average daily attendance add to the amount computed pursuant to paragraph (3) of this subdivision an amount equal to the 1986–87 fiscal year base revenue limit per unit of average daily attendance computed for the purpose of funding ROC/P program growth multiplied by the difference in annual average daily attendance between the 1982–83 fiscal year base annual average daily attendance and the 1986–87 fiscal year annual average daily attendance. (5) The 1986–87 average daily attendance used in this subdivision shall not include the average daily attendance in schools receiving necessary small regional occupational program service funding authorized under Section 52324.6 of the Education Code. (b) After apportionment of the amount necessary to fund adjustments to necessary small	

Item		Amount
	regional occupational programs authorized under Section 52324.6 of the Education Code, funds shall be allocated by the Superintendent of Public Instruction to ROC/Ps for average daily attendance served in the 1986–87 fiscal year based on the following order of priority: (1) Average daily attendance equal to or less than the 1982–83 fiscal year base average daily attendance. (2) Average daily attendance exceeding the average daily attendance specified in paragraph (1) of this subdivision, but less than or equal to the sum of the increase in average daily attendance allocated by the Superintendent of Public Instruction in the 1982–83 fiscal year for an ROC/P's pro rata share of funded growth average daily attendance and for ROC/Ps which had below average participation. (3) Average daily attendance exceeding the sum of the average daily attendance specified in paragraphs (1) and (2) of this subdivision, but less than or equal to the sum of the increase in average daily attendance allocated by the Superintendent of Public Instruction in the 1983–84 fiscal year for an ROC/P's pro rata share of funded growth average daily attendance and for ROC/Ps which experienced annexation of service territory not previously included in the ROC/P during the 1982–83 fiscal year. (4) Average daily attendance exceeding the sum of the average daily attendance specified in paragraphs (1) through (3) of this subdivision, but less than or equal to the sum of the increase in average daily attendance allocated by the Superintendent of Public Instruction in the 1984–85 fiscal year for a ROC/P's pro rata share of funded growth average daily attendance, for ROC/Ps which had below average participation, and for ROC/Ps which ex-	

Item		Amount

perienced annexation of service territory not previously included in the ROC/P during the 1982–83 fiscal year.

(5) Average daily attendance exceeding the sum of the average daily attendance specified in paragraphs (1) through (4) of this subdivision, but less than or equal to the increase in average daily attendance allocated by the Superintendent of Public Instruction in the 1985–86 fiscal year for an ROC/P's pro rata share of funded growth average daily attendance.

(6) Average daily attendance exceeding the sum of the average daily attendance specified in paragraphs (1) through (5) of this subdivision, but less than or equal to the increase in average daily attendance allocated by the Superintendent of Public Instruction in the 1986–87 fiscal year for an ROC/P's pro rata share of funded growth average daily attendance.

(7) Average daily attendance in the 1986–87 fiscal year exceeding the sum of the average daily attendance specified in paragraphs (1) through (6) of this subdivision.

(c) For the purpose of subdivision (b) of this provision, an ROC/P's pro rata share of funded growth average daily attendance shall be based on the percentage allowable growth in average daily attendance determined by the Superintendent of Public Instruction in each fiscal year for the purpose of allocating funds to ROC/Ps. An ROC/P's pro rata share of funded growth average daily attendance in each fiscal year shall not include excess growth in average daily attendance as determined by the Superintendent of Public Instruction. This exclusion shall apply without regard to the allocation of funds, if any, based on excess growth in average daily attendance for any fiscal year.

(d) In the event that the funding provided for the operation of ROC/Ps in the 1986–87 fis-

Item Amount

cal year is insufficient to fully fund those programs, then the Superintendent of Public Instruction shall reduce the amounts certified pursuant to subdivision (a) of this provision for each ROC/P based on equal amounts per unit of average daily attendance, consistent with the funding priorities for average daily attendance specified in subdivision (b) of this provision.

(e) The funds appropriated pursuant to this item shall be allocated by the Superintendent of Public Instruction to each school district or county office of education operating the ROC/P based on the school district's or county office of education's 1986–87 pro rata share of the funds being allocated.

(f) For purposes of Section 2558 of the Education Code, the Superintendent of Public Instruction shall deduct from the funding entitlement of each ROC/P operated by a county office of education any local revenue which would otherwise be deemed restricted and not available for expenditure in the current fiscal year pursuant to subdivision (d) of that section. The local revenue so deducted shall be utilized by the county office of education for support of the ROC/P. This subdivision is declaratory of existing law applicable during the 1986–87 fiscal year.

3. Because Chapter 482, Statutes of 1984 was chaptered after Chapter 268, Statutes of 1984, the Legislature's intent regarding the eligibility of Regional Occupational Centers and Programs for incentive funding for a longer instructional year under Section 46200 of the Education Code was not carried out. It is the intent of the Legislature that Regional Occupational Centers and Programs not be eligible for such incentive funding.

Notwithstanding any other provision of law to the contrary, none of the funds appropriated in this item are for the purposes of providing or continuing incentive funding for a longer instructional year pursuant to Section 46200 of the Education Code.

Item Amount

4. Of the funds specified in this item an amount not to exceed $200,000 shall be allocated by the Superintendent of Public Instruction to fund additional units of average daily attendance, at the rate specified for growth average daily attendance in paragraph (4) of subdivision (b) of this provision in ROC/Ps which experienced annexation of service territory that prior to July 1, 1984 was not included in an ROC/P. Additional units of average daily attendance allocated to ROC/Ps pursuant to this provision shall in subsequent years become part of their growth average daily attendance.

6100-106-001—For local assistance, Department of Education for transfer to Section A of the State School Fund, for the purposes of Sections 1909, 2553.5, and 2558 of the Education Code, Program 10.10.005—School Apportionments 93,644,000

Provisions:

1. Notwithstanding any provision of law to the contrary, the funds appropriated by this item are for transfer by the State Controller to Section A of the State School Fund, in lieu of the amount which would otherwise be appropriated for transfer from the General Fund in the State Treasury to Section A of the State School Fund for the 1986–87 fiscal year pursuant to Sections 14002 and 14004 of the Education Code, an amount as needed for apportionment pursuant to Section 8153 and Article 3 (commencing with Section 2550) of Chapter 12 of Part 2, of the Education Code, excluding amounts for Regional Occupational Centers and Programs operated by County Superintendents of Schools.
3. Notwithstanding any other provision of law to the contrary, the amounts appropriated in this item and in subschedule (a) (7) of Item 6100-226-001 shall be the maximum amount allocated for the purposes of Article 3 (commencing with Section 2550) of Chapter 12 of Part 2 of the Education Code.

6100-107-001—For local assistance, Department of Education, Program 20.70.040—Education Improvement Incentive Program for purposes of Article 2.5 (commencing with Section 54650) of Chapter 9 of Part 29 of the Education Code 7,800,000

Item Amount

Provisions:

1. Notwithstanding any other provision of law to the contrary, the amounts appropriated in this item shall be the maximum amount allocated for the purposes of Article 2.5 (commencing with Section 54650) of Chapter 9 of Part 29 of the Education Code.
2. In lieu of the percentage provided in Section 54657.7 of the Education Code, an amount not to exceed 3 percent of the amount appropriated in this item shall be used to pay grade 12 testing proctors and for administration.
3. Notwithstanding any other provisions of law, funds appropriated by this item may be expended by school districts without regard to fiscal year. Those expenditures shall be made in accordance with the provisions of Article 2.5 (commencing with Section 54650) of Chapter 9 of Part 29 of the Education Code.
4. Of the amount appropriated in this item, an amount not to exceed $690,000 may be used for support of the California Assessment Program.
5. Of the amount appropriated in this item, an amount not to exceed $350,000 shall be expended for the purposes of Article 6 (commencing with Section 54750) of Chapter 9 of Part 29 of the Education Code (College Admission Test preparation). Of this amount, $50,000 shall be for transfer to Item 6100-001-001 for support of the College Admission Test Preparation Program.
6. The superintendent of any school district or county office of education shall, upon receipt of funds apportioned from this item, certify to the Superintendent of Public Instruction that none of the schools in his or her jurisdiction has conducted any test preparation programs that are prohibited by Section 60610 of the Education Code. Further, funds shall be withdrawn from districts which are found to be in violation of Section 60610 of the Education Code.

6100-109-001—For local assistance, Department of Education, Program 20.60.020.002—Tenth Grade Counseling Program, for the purposes of Section 48431.7 of the Education Code 7,528,000

Item Amount

Provisions:

1. Notwithstanding any other provision of law to the contrary, the amounts appropriated in this item and in Item 6100-226-001 for this program shall be the maximum amount allocated for the purposes of Section 48431.7 of the Education Code.

6100-111-001—For local assistance, Department of Education, for transfer to Section A of the State School Fund, Program 10.10—School Apportionments..... 289,058,000

Schedule:

(a) Program 10.10.006-School Apportionments, for the purposes of Article 10 (commencing with Section 41850) of Chapter 5 of Part 24 of the Education Code 285,938,000

(b) Program 10.10.008-School Apportionments, for the purposes of Article 4.5 (commencing with Section 42290) of Chapter 7 of Part 24 of the Education Code 3,120,000

Provisions:

1. Notwithstanding any provision of law to the contrary, the funds appropriated by this item are for transfer by the State Controller to Section A of the State School Fund, in lieu of the amount which would otherwise be appropriated for transfer from the General Fund in the State Treasury to Section A of the State School Fund for the 1986–87 fiscal year pursuant to Sections 14002 and 14004 of the Education Code, an amount as needed for apportionment pursuant to Article 10 (commencing with Section 41850) of Chapter 5 of Part 24 and Article 4.5 (commencing with Section 42290) of Chapter 7 of Part 24 of the Education Code.
2. Notwithstanding any provision of law to the contrary, the funds provided in category (a) of this item and in subschedule (a) (8) of Item 6100-226-001 shall be the only funds provided for the purposes of Article 10 (commencing with Section 41850) of Chapter 5 of Part 24 of the Education Code, and shall be apportioned to school districts and county superintendents of schools pursuant to Section 41851 of the Education Code.

Item	Amount
3. Notwithstanding any other provision of law to the contrary, the amount appropriated in category (b) of this item and in subschedule (a) (9) of Item 6100-226-001 shall be the maximum amount allocated for the purposes of Article 4.5 (commencing with Section 42290) of Chapter 7 of Part 24 of the Education Code.	
6100-114-001—For local assistance, Department of Education, for transfer to the State Controller, for reimbursement of claims received pursuant to Section 42243.6 and 42247 of the Education Code, (court-ordered desegregation) Program 10.10.018—School Apportionments	278,556,000
Provisions:	
1. Funds appropriated by this item are for reimbursement of amounts necessary to pay costs of integration programs in districts initially mandated by the courts, as defined in Section 2205 of the Revenue and Taxation Code pursuant to any final court order issued after January 1, 1978.	
2. The State Controller shall allocate funds appropriated in this item in accordance with the provisions of Sections 42243.6 and 42247 of the Education Code. Pursuant to the provisions of Section 42243.8 of the Education Code, the State Controller shall reimburse claims, including claims for prior year costs, received pursuant to Sections 42243.6 and 42247 of the Education Code only from funds appropriated specifically for that purpose by the Legislature.	
6100-115-001—For local assistance, Department of Education, for transfer to the State Controller, for reimbursement of claims received pursuant to Sections 42247 and 42249 of the Education Code, (voluntary desegregation) Program 10.10.019—School Apportionments	97,593,000
Provisions:	
1. Funds appropriated by this item are for reimbursement of amounts necessary to pay the costs of desegregation programs as defined in Section 42249 of the Education Code, initiated voluntarily by school districts.	

Item	Amount

2. The State Controller shall allocate funds appropriated in this item in accordance with the provisions of Section 42247 of the Education Code. The State Controller shall reimburse these claims, including claims for prior year costs, only from funds appropriated specifically for that purpose by the Legislature.

6100-116-001—For local assistance, Department of Education, Program 20.60.030—School Improvement Program 223,331,000

Schedule:

(a) 20.60.030.010—For the purpose of making allowances for kindergarten and grades 1 to 6, inclusive.... 190,183,000

(b) 20.60.030.020—For the purpose of making allowances for grades 7 to 12, inclusive..... 32,148,000

(c) 20.60.040-For the purpose of Parental Involvement programs 1,000,000

Provisions:

1. Funds appropriated by this item are for transfer by the Controller to Section A of the State School Fund for direct disbursement by the Department of Education in lieu of the appropriations made for the 1986–87 fiscal year pursuant to subdivisions (a) and (b) of Section 75 of Chapter 894 of the Statutes of 1977, for the purpose of making allowances for the School Improvement Program and notwithstanding the third paragraph of Section 87 of Chapter 894 of the Statutes of 1977, and pursuant to Article 4 (commencing with Section 52046) of Chapter 6 of Part 28 of the Education Code.
2. The Department of Education shall allocate the funds scheduled above to each district eligible to receive an allowance on the basis of the per unit of average daily attendance amounts specified in subdivision (b) of Section 52046 of the Education Code, adjusted on a pro rata basis to conform to the amounts scheduled above.
3. The Department of Education shall promote the legislative intent for equalized funding, as specified in Section 52048 of the Education Code, for kindergarten and grades 1 through 6 in the allocation of funds scheduled above.

Item Amount

4. Notwithstanding any other provision of law to the contrary, the amounts appropriated in this item and in Item 6100-226-001 for this program shall be the maximum amount allocated for the purposes of Chapter 6 (commencing with Section 52000) of Part 28 of Division 4 of the Education Code.
5. Of the funds appropriated in this item, the Superintendent of Public Instruction shall allocate $1,000,000 to local school districts for parental involvement programs. These funds shall be allocated only after the submission of a plan from the State Department of Education, subject to the approval of the Director of Finance, provided that such expenditure shall not be authorized sooner than 30 days after notification to the Joint Legislative Budget Committee, or not sooner than whatever less time the chairperson of the joint committee, or his or her designee, may determine.

6100-118-001—For local assistance, Department of Education, Program 10.70—Vocational Education in lieu of the amount which would otherwise be appropriated pursuant to subdivision (b) of Section 19632 of the Business and Professions Code..... 550,000

6100-119-001—For local assistance, Department of Education, for the purposes of Chapter 6 (commencing with Section 58800) of Part 31 of the Education Code and Section 903.7 of the Welfare and Institutions Code, to be allocated according to the following schedule:

Program 20.40-Supplementary Program Services.. 2,893,000

Schedule:

(a) 20.40.060-Instructional Support—Foster Youth Services..... 813,000
(b) 20.40.090-Specialized Secondary Programs 2,080,000

Provisions:

1. Notwithstanding any other provision of law to the contrary, the amount appropriated in category (b) shall be the maximum amount allocated for the purposes of Chapter 6 (commencing with Section 58800) of Part 31 of the Education Code.
2. Pursuant to subdivision (b) of Section 903.7 of the Welfare and Institutions Code, the Department of Social Services shall authorize the quar-

Item Amount

terly transfer of the state share of collections attributable to Sections 903, 903.4, and 903.5 of the Welfare and Institutions Code to the Foster Children and Parent Training Fund. From these collections, and prior to any transfer of funds, there shall be a deduction for the appropriate amount of county child support collection incentives. Notwithstanding the provisions of subdivision (c) of Section 903.7 of the Welfare and Institutions Code, if sufficient moneys are available in the Foster Children and Parent Training Fund, up to $1,000,000 shall be transferred from the Foster Children and Parent Training Fund to the unappropriated balance of the General Fund in reimbursement for expenditures made for the Foster Parent Training Program from appropriations of $900,000 of category (b) of Item 6870-101-001 and $100,000 contained in Item 6870-001-001 of this act. Any remaining funds in the Foster Children and Parent Training Fund shall be transferred to the unappropriated balance of the General Fund in reimbursement for expenditures made for the Foster Youth Services Program from the appropriation of $813,000 of category (a) of Item 6100-119-001 and $26,000 for a cost-of-living increase from category (m) of Item 6100-226-001 of this act.

3. The funds appropriated in this item for Foster Youth Services shall be expended only after the Superintendent of Public Instruction has certified to the Director of Finance that the school districts operating foster youth services have submitted an evaluation design that, in his opinion, is sufficient to determine whether these programs have resulted in a major quantitative improvement in (1) student academic achievement, (2) the incidence of student discipline problems or juvenile delinquency, and (3) student dropout rates or truancy rates.
4. As a condition of receiving funds appropriated in this item for Foster Youth Services, school districts operating foster youth services shall develop and submit an evaluation design to the Superintendent of Public Instruction, the Department of Finance, and the Joint Legislative Budget Committee. The evaluation design shall

Item	Amount
be sufficient to determine, at a minimum, whether these programs have resulted in a major quantitative improvement in (1) student academic achievement, (2) the incidence of student discipline problems or juvenile delinquency, and (3) student dropout rates or truancy rates. The results of this evaluation shall be included in the report prepared pursuant to Section 42923 of the Education Code. The report shall include (1) a description of the evaluation's objectives and assumptions, (2) a description of the evaluation design, including design strengths and weaknesses and limitations of the data, (3) a discussion of the meaning and implications of the evaluation findings, and (4) policy recommendations based upon the evidence of the evaluation or a statement that the evidence is not sufficient to support a recommendation.	
6100-120-001—For local assistance, Department of Education, Program 20.40.100—High Risk Youth Liaison and Field Services for purposes of Article 6 (commencing with Section 52890) and Article 7 (commencing with Section 52900) of Chapter 12 of Part 28 of the Education Code, Article 6 (commencing with Section 54720) of Chapter 9 of Part 29 of the Education Code and Chapter 3.5 (commencing with Section 58550) of Part 31 of the Education Code	13,650,000
Provisions:	
1. Of the amount appropriated in this item, $1,000,000 shall be available for planning grants to schools for the purpose of developing motivation and maintenance program plans as defined in Article 6 (commencing with Section 54720) of Chapter 9 of Part 29 of the Education Code. Planning grants may be awarded to no more than 100 elementary schools for up to $4,000 each and to no more than 100 secondary schools for up to $6,000 each. No funding from this item is available to such schools for the hiring of outreach consultants during the 1986–87 fiscal year.	

Item	Amount
2. Of the amount appropriated in this item, $400,000 shall be available for planning grants to school districts for the purpose of developing dropout recovery program plans as defined in Article 7 of Chapter 12 of Part 28 of the Education Code. Planning grants may be awarded to no more than 50 school districts for up to $8,000 each. No funding from this item is available to such districts for the hiring of outreach consultants during the 1986–87 fiscal year.	
3. Of the amount appropriated in this item, $8,000,000 shall be available for the hiring of outreach consultants by up to 200 schools with motivation and maintenance program plans approved by the Superintendent of Public Instruction during the 1985–86 fiscal year in accordance with Chapter 1431, Statutes of 1985.	
4. Of the amount appropriated in this item, $2,000,000 shall be available for the hiring of outreach consultants by up to 50 school districts with dropout recovery program plans approved by the Superintendent of Public Instruction during the 1985–86 fiscal year in accordance with Chapter 1431, Statutes of 1985.	
5. Prior to any school or school district hiring an outreach consultant with funds appropriated in this item, such school or school district shall have adopted a plan, approved by the Superintendent of Public Instruction, which includes a statement describing the specific duties of the outreach consultant. Such duty statement shall provide that the outreach consultant must only perform activities which directly benefit "high-risk pupils" as defined in Section 54721(c) of the Education Code. Each outreach consultant shall receive no more than forty thousand dollars ($40,000) annually.	
6. Of the amount appropriated in this item, $1,900,000 shall be available for payments to certified educational clinics established in accordance with Chapter 3.5 of Part 31 of the Education Code.	

Item Amount

7. Of the amount appropriated in this item, $350,000 shall be available for grants to be awarded by the Superintendent of Public Instruction to schools for the purpose of implementing dropout prevention programs based upon model programs approved for use by the Department of Education.
8. The district of any school receiving funds pursuant to Provision 3 of this item shall collect and report data to the Superintendent of Public Instruction on student dropouts, as well as any other data deemed necessary by the superintendent to evaluate motivation and maintenance programs. This data shall be reported in a format to be determined by the Superintendent of Public Instruction. Whenever feasible, the superintendent shall collect this data through the California Basic Educational Data System.

6100-121-001—For local assistance, Department of Education, Program 10.30.070 Economic Impact Aid .. 195,002,000

Provisions:

1. Funds appropriated by this item for the Economic Impact Aid Program are for transfer by the State Controller to Section A of the State School Fund for direct disbursement by the Department of Education, for the purposes of the Economic Impact Aid Program, pursuant to Chapter 1 (commencing with Section 54000) of Part 29 of the Education Code. $17,756,000 of the funds in excess of $177,246,000 shall be allocated by the Superintendent of Public Instruction, pursuant to Section 54041 of the Education Code, to a limited number of districts with high concentrations of limited- and non-English-speaking pupils and other Economic Impact Aid pupils that receive insufficient funds through the Economic Impact Aid formula. The dollar amounts specified in the immediately preceding sentence shall be adjusted appropriately to reflect any additional funding provided in Item 6100-226-001 for a cost-of-living adjustment. No district receiving funds from the Economic Impact Aid Program shall be allocated less than $5,000, adjusted annually and cumulatively from 1980–81 by the same percentage adjustment for cost-of-living as the Economic Impact Aid Pro-

Item		Amount
	gram received.	
	2. From funds appropriated by this item, the State Department of Education may pay to the United States Department of Education an amount up to $2,512,000, in settlement of the final audit determination identified as ACN 00002-09, Education Appeal Board Case No. 2-(57)-80. The State Department of Education shall reduce the local assistance amount otherwise to be provided pursuant to this item to the school districts identified in the audit by multiplying the settlement amount paid by the ratio that the amount of the final audit determination relating to each district bears to the total amount of the final audit determination. The amount which is repaid to the state under the provisions of Section 456 of the General Education Provisions Act (20 U.S.C. 1234e) shall be apportioned to those districts in the same ratio, and shall be expended by the districts in accordance with the settlement agreement entered into between the State Department of Education and the United States Department of Education in Education Appeal Board Case No. 2-(57)-80.	
6100-124-001—For local assistance, Department of Education, Program 10.80.010—Gifted and Talented, for the purposes of Chapter 8 (commencing with Section 52200) of Part 28 of the Education Code..		23,034,000
	Provisions:	
	1. Funds appropriated by this item are for transfer by the Controller to Section A of the State School Fund, in lieu of the amount which would otherwise be appropriated for the 1986–87 fiscal year pursuant to Section 14002 of the Education Code.	
	2. Notwithstanding any other provision of law, of the funds appropriated in this item, $2,000,000 shall be allocated as follows:	
	(a) For identification and first year costs of new districts, currently on the waiting list for GATE program participation who have identified or intend to identify and serve significant numbers of minority, linguistically diverse, or culturally disadvantaged pupils.	
	(b) For districts with an existing GATE pro-	

Item	Amount
gram, but enrolling fewer than a proportional number of minority, linguistically diverse, or culturally disadvantaged pupils for the purposes of increasing the enrollment of these students toward at least a proportional number.	
(c) For excess costs of exemplary programs serving minority, linguistically diverse, or culturally disadvantaged GATE pupils (in addition to nonminority students).	
3. Notwithstanding any other provision of law, of the funds appropriated in this item, $1,000,000 shall be allocated for the establishment of GATE programs in districts currently on the SDE waiting list, and the expansion of service to students in existing programs.	
6100-126-001—For local assistance, Department of Education, Program 20.10.035—Miller-Unruh Reading Program	19,290,000
Provisions:	
1. Funds appropriated by this item are for the Special Elementary School Reading Instruction Program pursuant to Chapter 2 (commencing with Section 54100) of Part 29 of the Education Code.	
2. The State Department of Education shall establish a procedure to accept applications from any school district for participation in the Miller-Unruh Reading Program. This procedure shall provide first priority for any available funding to districts with the lowest California Assessment Program reading scores and district base revenue limits. Whenever the number of reading specialist positions funded by the program is reduced in any school district, funds shall be reallocated to support an equivalent number of positions in another district or districts.	
6100-128-001—For local assistance, Department of Education, Community Education—Intergenerational Programs	165,000
Schedule:	
(a) 41.00-Executive Management Special Services 186,000	
(b) Reimbursements −21,000	
6100-128-890—For local assistance, Department of Education, Program 20.10.015.010—Math/Science Teacher Training Grant, payable from the Federal Trust Fund	5,448,000

0 40 6160 0

Item	Amount
6100-131-001—For local assistance, Department of Education, Program 10.30.051—Native American Indian Education	361,000
6100-136-890—For local assistance, Department of Education, Program 10.30.060—Chapter I–ECIA—payable from the Federal Trust Fund	323,415,000
6100-141-890—For local assistance, Department of Education, Program 10.30.010—ECIA Chapter I–Migrant Education, payable from the Federal Trust Fund	79,817,000
6100-146-001—For local assistance, Department of Education, Program 10.30.040—Demonstration Programs in Reading and Mathematics	4,240,000

Provisions:

1. Funds appropriated by this item are for demonstration programs in reading and mathematics pursuant to Chapter 4 (commencing with Section 58600) of Part 31 of the Education Code.
2. Notwithstanding any other provision of law, funds appropriated by this item and allocated to support the instructional costs of demonstration programs established after June 30, 1986, shall be allocated only to programs that demonstrate a significant departure from or variation of existing instructional practices. The Department of Education shall establish criteria and guidelines necessary to ensure the implementation of this provision.
3. The Superintendent of Public Instruction shall develop rules and procedures which shall provide that: (1) beginning in the 1987–88 fiscal year, funds appropriated by this item shall not be allocated to support more than 66 percent of the instructional costs of a demonstration program that has been in operation for a period of three or more prior years; (2) beginning in the 1988–89 fiscal year, funds appropriated by this item shall not be allocated to support more than 33 percent of the instructional costs of a demonstration program than has been in operation for a period of four or more prior years; and (3) beginning in the 1990–91 fiscal year, funds appropriated by this item shall not be allocated to support the instructional costs of a demonstration program that has been in operation for a period of five or more prior years. These demonstration programs may receive allocations from

Item	Amount
funds appropriated by this item to support curriculum development and dissemination/replication activities.	
6100-151-001—For local assistance, Department of Education, Program 10.30.050—American Indian Education Centers	852,000
Provisions:	
1. Funds appropriated by this item for Indian Education Centers are limited to carrying out the provisions of Article 6 (commencing with Section 33380) of Chapter 3 of Part 20 of Division 2 of Title 2 of the Education Code.	
6100-156-001—For local assistance, Department of Education	202,608,000
Provisions:	
1. Funds appropriated by this item are in lieu of the amounts which would otherwise be appropriated for transfer from the General Fund in the State Treasury to Section A of the State School Fund for the 1986–87 fiscal year pursuant to Sections 14002, 14004 and 41301 of the Education Code, and are for transfer to Section A of the State School Fund, for the purposes of Section 52616 of the Education Code.	
2. Notwithstanding Section 52616 of the Education Code, the average daily attendance used in computing each district's 1986–87 block entitlement shall be the lesser of 109.74 percent of the district's 1981–82 adult block entitlement average daily attendance computed pursuant to paragraph (1) of subdivision (b) of Section 52616 of the Education Code, excluding average daily attendance in regional occupational centers and programs, or the district's reported 1986–87 annual adult average daily attendance, excluding average daily attendance in regional occupational centers and programs. Funds provided in this item for growth in average daily attendance are in lieu of the amounts which would otherwise be appropriated pursuant to Section 52616 of the Education Code.	
3. Notwithstanding any other provision of law to the contrary, the amounts appropriated in subschedule (a) of this item and in subschedule (f) (1) of Item 6100-226-001 shall be the maximum amount allocated for the purposes of Section 52616 of the Education Code.	

Item Amount

4. Notwithstanding any other provision of law to the contrary, $1,000,000 of the funds appropriated in this item are for allocation to school districts in the 1986–87 fiscal year for the purposes of funding extraordinary needs in adult education programs in English as a second language provided under subdivision (c) of Section 41976 of the Education Code.
   (a) Adult average daily attendance funded under this act shall be excluded from the average daily attendance used for computing school districts' adult block entitlements computed pursuant to Section 52616 of the Education Code.
   (b) The Superintendent of Public Instruction shall identify districts having extraordinary needs as those having the highest concentration of limited-English-proficient students in grades K–12 recorded by the annual census of pupils of limited-English proficiency pursuant to Section 52164. The Superintendent of Public Instruction will give priority for the allocation of funds under subdivision (a) to districts whose current enrollment in adult classes in English as a second language are lowest in proportion to the limited-English proficient count in the districts served by the adult education program. However, the Superintendent of Public Instruction may waive the requirements of this subdivision and funds may be distributed to an applicant school district that proves to the satisfaction of the superintendent, undue hardship in complying with these requirements.
5. Of the funds appropriated by this item, $1,178,000 shall be used to fund high-priority needs in adult education. The Superintendent of Public Instruction shall develop criteria to identify districts with high-priority needs, and shall allocate these funds in accordance with such criteria. The superintendent may not use these funds to increase adult education block entitlements.

6100-156-890—For local assistance, Department of Education, Program 10.50.010.001—Adult Education, payable from the Federal Trust Fund 9,288,000

Item Amount

6100-158-001—For local assistance, Department of Education, Program 10.50.010.002—Adult Education, for transfer to Section A of the State School Fund in lieu of the amount which would otherwise be appropriated pursuant to Section 41841.5 of the Education Code—Adults in Correctional Facilities.... 1,778,000

6100-161-001—For local assistance, Department of Education, Program 10.60—Special Education Programs for Exceptional Children 901,457,000

Provisions:

1. Funds appropriated by this item are for transfer by the State Controller to Section A of the State School Fund, in lieu of the amount which would otherwise be appropriated for transfer from the General Fund in the State Treasury to Section A of the State School Fund for the 1986–87 fiscal year pursuant to Sections 14002 and 41301 of the Education Code, for apportionment pursuant to Part 30 of the Education Code, superseding all prior law.
2. No more than $350,000 of the funds appropriated by this item may be used for in-service training for special education teachers.
3. Of the amount appropriated in this item, no more than $31,114,000 may be used for the purposes of Article 9 (commencing with Section 56780) of Chapter 7 of Part 30 of the Education Code.
4. Of the amount appropriated in this item, $24,100,000 shall be available for program growth pursuant to Section 56728.6 of the Education Code. The funds allocated pursuant to this provision and Provision 5 shall be the only funds available in this item for program growth.
5. Of the amount appropriated in this item, $5,000,000 shall be available for growth in the number of instructional personnel service units in programs for individuals with exceptional needs who are younger than three years of age, as defined in Section 56026 of the Education Code. These funds shall be allocated for instructional personnel service units, with the following average number of pupils per unit:
   (a) For special classes and centers—16,
   (b) For resource specialist programs—24,
   (c) For designated instructional services—16.

Item Amount

6. Of the amount appropriated in this item, $200,000 shall be used for the purposes of Chapter 4.6 (commencing with Section 56460) of Part 30 of the Education Code.
7. Of the amount appropriated in this item, no more than $300,000 shall be available for the purposes of Section 56775.5 of the Education Code.
8. Of the amount appropriated in this item, $1,000,000 shall be available for the development of a model Transition Program which provides for the transition from school to working life for individuals with exceptional needs through an outcome-oriented process encompassing a broad array of services and experiences that lead to employment. Transition is a period that includes high school, the point of graduation, additional postsecondary education or adult services, and the initial years of employment. The model Transition Program shall offer opportunities and services for a broad range of individuals with exceptional needs including, but not limited to: (1) Employment and academic training; (2) Strategic planning; (3) Interagency coordination; and (4) Parent training. The program shall build on existing resources and knowledge and will include, but not be limited to: (1) The development and provision of inservice training programs, resource materials, and handbooks that include the major components of an effective school based transition program; (3) The development of the role and responsibilities of special education in the transition process; (4) The development and implementation of systematic and longitudinal vocational education curriculum; (5) The development of materials, resource manuals, and inservices training programs to support the active participation of parents in the planning and implementation of transition-related goals and activities; (6) The development of resources and inservice training that will support the implementation of individualized transition planning for all individuals with exceptional needs; and (7) A research and development program that will support the major programmatic aspects of the model transition program. The Superintendent of Public Instruction shall submit a report to the

Item Amount

education policy and fiscal committees of the Legislature by March 1, 1987, describing the accomplishments of the model Transition Program and goals and objectives for the subsequent year.

9. Notwithstanding Section 56728 of the Education Code, for the purposes of computing funding for aides other than those in classes for the severely handicapped, a full-time equivalent aide shall be equivalent to .925 times a full-time equivalent aide entitlement for those aides in the 1980–81 fiscal year. $16,800,000 of the funds appropriated in this item are available for the purposes of this provision.
10. $7,000,000 of the funds appropriated in this item are available for purchase of specialized books, materials, and equipment for pupils with low-incidence disabilities, as defined in Section 56026.5 of the Education Code.
11. $3,500,000 of the funds appropriated in this item are available for matching funds for the purposes of PL98-524, and for vocational training and job placement for special education students. As a condition of receiving these funds, each agency must certify that the amount of nonfederal resources, exclusive of funds received pursuant to this provision, devoted to the provision of vocational education for special education pupils shall be maintained at or above the level provided in 1984–85. The Superintendent of Public Instruction may waive this requirement for agencies which can demonstrate that the requirement would impose a severe hardship.
12. Of the funds appropriated in this item, $1,100,000 shall be available for the purposes of paragraph (2) of subdivision (a) of Section 46201.5 of the Education Code.
13. Of the funds appropriated in this item, $2,700,000 is available for transfer to the Department of Mental Health for the purpose of conducting assessments required by Sections 7572 and 7572.5 of the Government Code.

Item Amount

14. Of the funds appropriated in this item, $5,400,000 is available for transfer to the Department of Social Services for the purposes of Chapter 6 (commencing with Section 18350) of Part 6 of Division 9 of the Welfare and Institutions Code.

15. For the purpose of Chapter 26 (commencing with Section 7570) of Division 7 of Title 1 of the Government Code, and Chapter 6 (commencing with Section 18350) of Part 6 of Division 9 of the Welfare and Institutions Code, the Superintendent of Public Instruction shall develop, by September 1, 1986, a standard methodology for use by local education agencies to identify the appropriate noneducational costs of providing services to special education pupils. Based upon this methodology, local education agencies shall report to the superintendent, by November 1, 1986, the total costs incurred, including costs funded from state, federal, and local sources, for providing noneducational services in the 1985–86 fiscal year to special education pupils who (1) received psychotherapy or other mental health services pursuant to an individualized education plan, or (2) were classified as seriously emotionally disturbed, as defined by paragraph 8, subdivision (b) of Section 300.5 of Title 34 of the Code of Federal Regulations, and received residential care pursuant to an individualized education plan. Local education agencies shall also report the number of pupils who met the above criteria in the 1985–86 fiscal year, and, for pupils with residential placements, the duration of such placements. The superintendent shall, for any education agency which he determines engaged in willful failure to report this data accurately, reduce funding provided pursuant to Chapter 7 (commencing with Section 56700) of Part 30 of the Education Code by 150 percent of the amount reported in error. The data collected by the superintendent shall be made available to the Legislature and the Department of Finance no later than November 15, 1986.

Item Amount

16. The Auditor General shall review the data reported by local education agencies pursuant to Provision 15 to determine if the amounts reported are accurate, and shall report his findings and recommendations to the Legislature and the Department of Finance by February 1, 1987. This review may be based, if necessary, upon a random sample. The Auditor General may adjust the reported costs by the percentage inflation adjustment provided in Item 6100-226-001(g) in order to reflect the effects of inflation on 1985–86 costs.
17. Based upon the recommendations of the Auditor General, as described in Provision 16, and the data collected by the Superintendent of Public Instruction, pursuant to Provision 15, the Director of Finance may transfer additional amounts from this item to the State Departments of Mental Health and Social Services, provided that such transfers shall be authorized not sooner than 30 days after notification in writing to the chairpersons of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of such committee, or his or her designee, may determine. The total amounts transferred, including the amounts transferred pursuant to Provisions 13 and 14, shall not exceed the amounts spent by local education agencies in the 1985–86 fiscal year, as verified and adjusted by the Auditor General, for providing residential care, psychotherapy, and other mental health services, pursuant to individualized education plans, to those pupils reported in Provision 15.
18. Notwithstanding any other provision of law, the superintendent shall ensure that special education entitlements are permanently reduced by the total amount transferred pursuant to Provisions 13, 14, and 17, in the following manner. First, the superintendent shall withdraw authorization for designated instructional service (DIS) units providing psychotherapy, as appropriate. Second, the superintendent shall ensure that nonpublic school entitlements calculated pursuant to Sections 56156.6, 56740, and

Item Amount

56775 of the Education Code are reduced by 70 percent of the total noneducational costs reported by local education agencies pursuant to Provision 15, as revised and adjusted by the Auditor General, exclusive of DIS-related costs. Third, the superintendent shall permanently reduce, on an equal, pro rata basis, all special education entitlements computed pursuant to Article 1 (commencing with Section 56700) of Chapter 7 of Part 30 of the Education Code by an amount equal to 30 percent of these noneducational costs, and by any additional amounts necessary to reduce entitlements by the total amount transferred pursuant to Provision 17. For purposes of this provision, the amount transferred to the State Department of Mental Health shall be deemed as not including the amount specified in Provision 19.

19. In the report required by Provision 16, the Auditor General shall estimate to what extent, if any, the amount recommended for transfer to the State Department Mental Health pursuant to Provision 17 exceeds the amount expended by local education agencies in the 1985–86 fiscal year (as adjusted for inflation) for psychotherapy and other mental health services provided pursuant to an individualized education plan and which, pursuant to Chapter 26 (commencing with Section 7570) of Division 7 of Title 1 of the Government Code, will be provided by the State Department of Mental Health commencing in the 1986–87 fiscal year. Funds equal to the amount of this excess (as adjusted and verified by the Auditor General) shall be provided for purposes of Chapter 7 (commencing with Section 56700) of Part 30 of the Education Code through a deficiency appropriation.
20. It is the intent of the Legislature that the total amount paid to nonpublic schools for services rendered to seriously emotionally disturbed pupils with IEP-prescribed residential placements, including amounts paid for residential and educational services, shall not exceed total costs paid in the 1985–86 fiscal year for comparable types of students, as adjusted by the percentage inflation adjustment provided in Item

Item		Amount

6100-226-001 (g). The Auditor General shall collect information from state and local agencies and from nonpublic schools to determine the degree of compliance with this provision, and shall report his or her findings and recommendations to the Legislature, as appropriate.

21. Of the funds appropriated in this item, $150,000 shall be available for allocation to the Riverside County Office of Education for the purpose of leasing portable facilities for special education classes.

6100-161-890—For local assistance, Department of Education, payable from the Federal Trust Fund, Program 10.60—Special Education Programs for Exceptional Children 98,917,000

Schedule:

(a) 10.60.050.010-PL 94-142, local entitlements 83,239,000
(b) 10.60.050.020-PL 94-142, direct and indirect instructional services approved in the State Plan 12,381,000
(c) 10.60.050.030-Preschool Incentive Grant Program 2,400,000
(d) 10.60.030-EHA, Title VIC, Deaf-Blind Center 240,000
(e) 10.60.050.040-EHA, Title VID, Handicapped Personnel Preparation Grants 657,000

Provisions:

1. If the funds for Part B of the Education for All Handicapped Act exclusive of the Preschool Incentive Grant that are actually received by the state exceed $102,097,000, at least 95 percent of the funds received in excess of $102,097,000 shall be allocated for local entitlements. Five percent (5%) of the amount received in excess of $102,097,000 may be used for state administrative expenses.
2. $1,561,000 of the funds appropriated in this item for direct and indirect instructional services shall be used only to fund licensed children's institutions growth units.

Item Amount

3. Of the funds apropriated in this item for direct and indirect instructional services, $2,324,000 shall be used to provide funding for infant programs, and may be used for those programs that do not qualify for funding pursuant to Section 56728.8 of the Education Code.
4. Of the funds appropriated in this item for direct and indirect instructional services, $1,250,000 shall be used to support Project Work Ability.
5. Of the funds appropriated in this item for direct and indirect instructional services, an amount not to exceed $380,000 shall be allocated to the Timpany Center in Santa Clara County, provided that $2 from this item shall be allocated for each $1 provided from local sources, and that the Center certify that the funds provided from this item are used to provide services only to youth aged 21 and under.

6100-162-001—For local assistance, Department of Education, Program 10.60.060—Alternatives to Special Education 315,000

6100-166-001—For local assistance, Department of Education, Program 10.70 Vocational Education 2,600,000

Schedule:

(a) 10.70-Vocational Education 19,844,000
(b) Reimbursements ..... —17,244,000

Provisions:

1. $15,168,000 of the funds appropriated in this item are for the purpose of the Federal Job Training Partnership Act of 1982.
2. $600,000 of the funds appropriated in this item are for the purpose of Article 5 of Chapter 9 of Part 29 of the Education Code, Peninsula Academies Model Program.
4. Of the funds appropriated in this item, $2,000,000 shall be for the purpose of Project Work-Ability II.
5. Notwithstanding any other provision of law, of the funds appropriated in this item, $2,000,000 is available for the purpose of matching Job Training Partnership Act funds available under Section 202(b)(1) of the federal Job Training Partnership Act. The Superintendent of Public Instruction shall allocate these funds for the purpose of providing remedial education services to GAIN recipients pursuant to Education Code Section 33117.5.

Item Amount

6. Pursuant to the State Job Training Coordinating Council's policy direction, the Employment Preparation Division in the department (SDE) shall have administrative responsibility for the JTPA 8% funds designated for GAIN. SDE and the Department of Social Services (DSS) shall agree upon reporting, fiscal, and evaluation requirements necessary for GAIN implementation and evaluation.

SDE shall enter into a formal agreement with each Service Delivery Area (SDA) or an SDA-designated Coordinating Agency (CA). The CA shall have responsibility at the local level for the coordination of JTPA 8% funded-activities of Local Educational Agencies (LEA) that provide remedial education to GAIN clients.

Allocation for remedial education funds shall be based upon DSS-approved county plans and budgets, except for JTPA 8% funds, which shall be allocated to the SDA based upon the percentage of the statewide total AFDC population that resides in that geographical area which the SDA encompasses.

6100-166-890—For local assistance, Department of Education, Program 10.70—Vocational Education, payable from the Federal Trust Fund 72,660,000

Provisions:

1. Of the funds appropriated in this item, $27,262,000 of the 1986–87 Federal Vocational Education Act funds shall be transferred to the community colleges by means of interagency agreements for the purpose of funding vocational education programs in community colleges.

6100-167-001—For local assistance, Department of Education, Program 10.70, Vocational Education for the purpose of Article 7.5 (commencing with Section 52460) of Chapter 9 of Part 28 of Division 4 of the Education Code 3,150,000

Provisions:

1. As a condition of receiving funds appropriated in this item, a school district shall certify to the Superintendent of Public Instruction that: (1) Agricultural Vocational Education Incentive Program funds shall be expended for the items identified in its application for funding; and (2) the district will provide at least 50 percent of the cost of these items from other funding sources.

Item	Amount
The Superintendent of Public Instruction shall adopt appropriate accounting procedures, rules, and regulations to ensure that this requirement is complied with. Nothing in this provision shall be construed as limiting the authority of the superintendent to waive the local matching requirement pursuant to subdivision (b) of Section 52461.5 of the Education Code.	
2. Of the amount appropriated in this item, $150,000 shall be available to provide funding for the Life Lab Science Program.	
6100-171-178—For local assistance, Department of Education, Program 10.80.020—Driver Training, payable from the Driver Training Penalty Assessment Fund, for transfer to Section A of the State School Fund	(19,500,000)
Provisions:	
1. Notwithstanding the provisions of Sections 41304, 41306, and Article 12 (commencing with Section 41900) of Chapter 5 of Part 24 of the Education Code, funding for driver training programs during 1986–87 shall be made exclusively from funds appropriated in this item. These funds shall be transferred by the State Controller to Section A of the State School Fund in amounts as needed by the Department of Education.	
2. The Department of Education shall allocate these funds among all participating school districts, county offices of education, and the California Youth Authority in accordance with the provisions of Article 12 (commencing with Section 41900) of Chapter 5 of Part 24 of the Education Code.	
6100-176-890—For local assistance, Department of Education, Program 10.40.030—Refugee and Immigrant Programs payable from the Federal Trust Fund	20,340,000
6100-181-001—For local assistance, Department of Education, for Educational Technology, Program 20.10.025—Technology Education	25,896,000

Item Amount

Provisions:

1. In lieu of the amount that would be provided by Section 52484 of the Education Code, or any other provision of law to the contrary, an amount not to exceed $335,000 from the funds specified in this item, increased by the amount provided in Item 6100-226-001 for the Institute for Computer Technology, shall be available for funding average daily attendance of the Institute for Computer Technology in accordance with Article 8 (commencing with Section 52480) of Chapter 9 of Part 28 of the Education Code.
2. Notwithstanding any other provision of law, for the 1986–87 fiscal year, the Institute for Computer Technology shall receive state funding for no more than 100 average daily attendance.
3. The Superintendent of Public Instruction shall allocate funds appropriated in this item to the Institute of Computer Technology according to the following schedule:

ADA	Appropriation
1–10	$245,000
11–20	255,600
21–30	266,200
31–40	276,800
41–50	287,400
51–60	298,000
61–70	308,600
71–80	319,200
81–90	329,800
91–above	340,400

The average daily attendance (ADA) as used in this provision shall be calculated in the manner that ADA is computed for the Regional Occupational Centers and Programs in Article 1 (commencing with Section 52300) of Chapter 9 of Part 28 of the Education Code.

6100-181-140—For local assistance, Department of Education, Program 20.10.055—Environmental Education, payable from the California Environmental License Plate Fund 604,000

6100-183-001—For local assistance, Department of Education, Program 20.10.045—Health and Physical Education 1,677,000

Item Amount

Provisions:

1. Of the funds appropriated in this item, $177,000 shall be expended by the Superintendent of Public Instruction to conduct the second year of a pilot program for drug and alcohol abuse prevention.
2. Of the funds appropriated in this item, the superintendent of Public Instruction shall allocate $500,000 for the development of a curriculum on birth defects for use in grades 6 through 8. These funds shall be allocated only after the superintendent has determined that the curriculum which has been developed for use in grades 9 through 12 has received a positive evaluation. These funds shall be allocated after the agencies develop and submit an evaluation no later than October 1, 1986.

   The Superintendent of Public Instruction shall submit a report of this evaluation to the Director of Finance and the Joint Legislative Budget Committee confirming his findings. The report shall include: (1) a description of the study's objectives and assumptions; (2) a description of the study design, including design strengths and weaknesses and limitations of the data; and (3) a discussion of the meaning and implications of the study findings. It is the intent of the Legislature that no additional funding shall be provided for the purpose of developing a curriculum on birth defects after the 1986–87 fiscal year.
3. As a condition for receiving funds appropriated in this item for the purpose of developing a curriculum on birth defects for use in grades 6 through 8, the participating local education agencies shall agree to evaluate the effect of the curriculum on students.

   These agencies, with the assistance of the State Department of Education, shall develop and submit an evaluation design to the Joint Legislative Budget Committee no later than November 1, 1986. The evaluation design shall include a description of the program's goals in terms that are clear, specific, and measurable. Among these goals shall be a statistically significant reduction in the rate of birth defects among students participating in the program.

Item Amount

Based on the evaluation design, the participating agencies shall submit an evaluation report no later than five years following the initial implementation of the curriculum. The evaluation report shall include: (1) a description of the evaluation's objectives and assumptions; (2) a description of the evaluation design, including design strengths and weaknesses and limitations of the data; (3) a discussion of the meaning and implications of the evaluation findings; and (4) policy recommendations based upon the evidence of the evaluation (or a statement that the evidence is not sufficient to support a recommendation). It is the intent of the Legislature that no additional funding shall be provided for the purpose of developing a curriculum on birth defects after the 1986–87 fiscal year.

4. Of the funds appropriated in this item, the Superintendent of Public Instruction shall allocate $1,000,000 to local school districts to train teachers to provide classroom instruction on sexually transmitted diseases, including AIDS. These funds shall be allocated only after the submission of a plan from the Department of Education, subject to the approval of the Director of Finance, provided that such expenditure shall not be authorized sooner than 30 days after notification to the Joint Legislative Budget Committee, or not sooner than whatever less time the chairperson of the joint committee, or his or her designee, may determine.

6100-183-464—For local assistance, Department of Education, Program 20.10.045.001-Drug and Alcohol Abuse Prevention Pilot Program, payable from the First Offender Program Evaluation Fund 250,000

6100-186-001—For local assistance, Department of Education, Program 20.20.020.001—Instructional Materials Management and Distribution—Grades K–8 67,985,000

Provisions:

1. Funds appropriated by this item are for transfer by the Controller, in lieu of the appropriation provided for in Section 60246 of the Education Code, to the State Instructional Materials Fund, for allocation during the 1986–87 fiscal year for the purchase of instructional materials for Kindergarten through grades 8, pursuant to Article

Item		Amount

3 (commencing with Section 60240) of Chapter 2 of Part 33 of the Education Code. These funds shall be transferred to the State Instructional Materials Fund by the Controller in amounts claimed by the Department of Education, and the remaining balance, if any, shall be transferred to the State Instructional Materials Fund on June 30, 1987.

2. Funds appropriated by this item for the Instructional Materials Management and Distribution Program shall be transferred for direct disbursement by the Department of Education from the State Instructional Materials Fund.
3. Notwithstanding the provisions of Part 33 (commencing with Section 60000) of the Education Code, and pursuant to the August 27, 1981 decision of the California Supreme Court in California Teachers' Association vs. Riles, no part of the funds appropriated herein shall be used to provide instructional materials for nonpublic schools or students.
4. No pupil textbooks shall be adopted by the State Board of Education and no funds shall be available to finance contracts for textbooks in which the royalty amount exceeds 55 percent of the completed book bid, which is the total cost less sales tax less all freight. Royalty amounts payable shall be adjusted in subsequent years in conformance with the Consumer Price Index—All Items, of the Bureau of Labor Statistics of the United States Department of Labor, provided that such adjustment shall occur only when the completed book bid is revised, pursuant to Sections 60201 and 60223 of the Education Code.
5. Notwithstanding any other provision of law to the contrary, the amounts appropriated in this item and in Item 6100-226-001 for this program shall be the maximum amount allocated for the purpose of Section 60246 of the Education Code.
6. In the 1986–87 fiscal year, notwithstanding any other provision of law, the cash allotments pursuant to paragraph (2) of subdivision (a) of Section 60242 of the Education Code, the allowances pursuant to subdivision (b) of Section 60242 of the Education Code, and the apportionments pursuant to Section 60247 of the Education Code shall be made in full in the form

Item Amount

of single payments to eligible school districts not later than September 15, 1986.

7. Funds appropriated by this item shall not be used for the purchase of electronic calculators.

6100-187-001—For local assistance, Department of Education, Program 20.20.020.002—Instructional Materials Management and Distribution—Grades 9–12 21,527,000

Provisions:

1. Funds appropriated by this item are for transfer by the Controller to the State Instructional Materials Fund, for allocation during the 1986–87 fiscal year for the purchase of instructional materials for grades 9 through 12, pursuant to Sections 60247 through 60249, inclusive, of the Education Code. These funds shall be transferred to the State Instructional Materials Fund by the Controller in amounts claimed by the Department of Education, and the remaining balance, if any, shall be transferred to the State Instructional Materials Fund on June 30, 1987.
2. Funds appropriated by this item for the Instructional Materials Management and Distribution Program shall be transferred for direct disbursement by the Department of Education from the State Instructional Materials Fund.
3. Notwithstanding the provisions of Part 33 (commencing with Section 60000) of the Education Code, and pursuant to the August 27, 1981 decision of the California Supreme Court in California Teachers' Association vs. Riles, no part of the funds appropriated herein shall be used to provide instructional materials for nonpublic schools or students.
5. Notwithstanding any other provision of law to the contrary, the amounts appropriated in this item and in Item 6100-226-001 for this program shall be the maximum amount allocated for the purpose of Section 60247 of the Education Code.
6. In the 1986–87 fiscal year, notwithstanding any other provision of law, the cash allotments pursuant to paragraph (2) of subdivision (a) of Section 60242 of the Education Code, the allowances pursuant to subdivision (b) of Section 60242 of the Education Code, and the apportionments pursuant to Section 60247 of the Education Code, shall be made in full in the

Item		Amount
form of single payments to eligible school districts not later than September 15, 1986.		
6100-191-001—For local assistance, Department of Education, Program 20.60—Staff Development		91,816,000
Schedule:		
(a) 20.60.010.001-Administrator Training and Evaluation Program	5,020,000	
(b) 20.60.050.001-Mentor Teacher Program	50,020,000	
(c) 20.60.060.001-School Personnel Staff Development	3,609,000	
(d) 20.60.060.002-Teacher Instructional Improvement Grants	17,100,000	
(e) 20.60.070-Bilingual Teacher Training	834,000	
(f) 20.60.090-Teacher Education and Computer Centers	12,461,000	
(g) 20.60.130-School Business Office Training	250,000	
(h) 20.60.140-Teacher Improvement	1,592,000	
(i) 20.60.120-California International Studies	480,000	
(j) 20.60.000-Regional Science Resource Centers	450,000	
Provisions:		
1. With the exception of category (g) and $100,000 in category (d), funds appropriated by this item are for transfer by the Controller to Section A of the State School Fund, for direct disbursement by the Department of Education, in lieu of the amount which would otherwise be appropriated for staff development pursuant to subdivision (a) of Section 74 of Chapter 894 of the Statutes of 1977. Funds appropriated in this item are for the purpose of making allowances pursuant to Article 1 (commencing with Section 44670) of Chapter 3.1 of Part 25, Chapter 1.5 (commencing with Section 41100) of Part 24 of the Education Code, Article 4 (commencing with Section 52180) of Chapter 7 of Part 28 of the Education Code, Article 3 (commencing with Section 44681) of Chapter 3.1 of Part 25 of the Education Code, Chapter 3.7 (commencing with Section 44780) of Part 25 of the Education Code, Article 4 (commencing with Section 44490) of Chapter 3 of Part 25 of the Education Code, Chapter 3.3 (commencing with Section 44700) of Part 25 of		

Item Amount

the Education Code, Article 2 (commencing with Section 44680) of Chapter 3.1 of Part 25 of the Education Code and for the purpose of the joint effort in teacher improvement and pupil performance in intermediate schools by Department of Education and the California State University system.

2. Notwithstanding any other provision of law to the contrary, the amount appropriated in subschedule (a) of this item shall be the maximum amount allocated for the purposes of Article 3 (commencing with Section 44681) of Chapter 3.1 of Part 25 of the Education Code.
3. Notwithstanding any other provision of law to the contrary, the amount appropriated in subschedule (b) of this item shall be the maximum amount allocated for the purposes of Article 4 (commencing with Section 44490) of Chapter 3 of Part 25 of the Education Code.
4. Notwithstanding any other provision of law, each school district which participates in the Mentor Teacher Program and receives funds pursuant to subdivision (a) of Section 44492 of the Education Code shall certify to the Superintendent of Public Instruction that no more than 10 percent of the total amount which it receives pursuant to subdivisions (a) and (c) of Section 44492 of the Education Code will be used for administrative costs.

   For purposes of this provision, "administrative costs" shall include the personnel costs of program administration and coordination, the costs of mentor teacher selection, and indirect costs associated with the mentor teacher program.
5. Notwithstanding any other provision of law to the contrary, of the amount appropriated in subschedule (d) of this item, $100,000 shall be transferred to Item 6420-011-001 for the purpose of funding the K–12 staff development study to be done by the California Postsecondary Education Commission. The amount remaining shall be the maximum amount allocated for the purposes of Chapter 3.3 (commencing with Section 44700) of Part 25 of the Education Code.

Item	Amount

6. Notwithstanding any other provision of law to the contrary, the amount appropriated in subschedule (f) of this item shall be the maximum amount allocated for the purposes of Article 2 (commencing with Section 44680) of Chapter 3.1 of Part 25 of the Education Code.
7. Funds appropriated in subschedules (c) and (f) of this item for staff development activities shall aid teachers and site administrators across the curriculum, including support for science, mathematics, computer education, reading, writing, the humanities, and the arts. Funding proposals developed by Teacher Education Centers and local school site councils shall specify what varieties of curriculum areas, teachers and site administrators will be assisted. Curriculum-wide staff development in areas other than mathematics and science skills shall be supported in each of 15 regions by funds appropriated in this item.
8. Notwithstanding any other provision of law to the contrary, the amount appropriated in category (g) of this item may be used for the purpose of contracting with a private financial management and accounting firm or other appropriate firm to develop and implement training for school business personnel pursuant to Chapter 1.5 (commencing with Section 41100) of Part 24 of the Education Code. Further, upon approval of the Department of Finance a portion of this amount may be used by the Department of Education for the administration of the program.
9. Notwithstanding any other provision of law to the contrary, the amount appropriated in subschedule (i) of this item shall be the maximum amount allocated for the purposes of Chapter 3.7 (commencing with Section 44780) of Part 25 of the Education Code.
10. Notwithstanding any other provision of law to the contrary the amount appropriated in subschedule (h) of this item shall be the maximum amount allocated by the Department of Education for the purposes of the joint effort in teacher improvement by the Department of Education and the California State University system.

0 40 6480 0

Item			Amount
11. The Superintendent of Public Instruction shall (1) develop a plan and funding proposal for promoting the sharing among classroom teachers of innovative projects developed pursuant to Chapter 3.3 (commencing with Section 44700) of Part 25 of the Education Code, Classroom Teacher Instructional Improvement Program, (2) submit the plan and funding proposal by October 30, 1986, to the Department of Finance for approval, and (3) implement the proposed project if it is approved.			
12. Of the amount appropriated in schedule (j) of this item, $225,000 shall be available for a grant to the Exploratorium in San Francisco and $225,000 shall be available for a grant to a regional science resource center to be located at California State University at Northridge.			
6100-196-001—For local assistance, Department of Education			283,401,000
Schedule:			
(a) 30.10.010-Preschool		35,462,000	
(b) 30.10.020-Child Care Services		283,141,000	
(1) 30.10.020.001-General child development programs	206,441,000		
(2) 30.10.020.002-Campus children's centers	6,144,000		
(3) 30.10.020.003-High-school-age parenting and infant development	6,602,000		
(4) 30.10.020.004-Migrant day care	6,550,000		
(5) 30.10.020.005-Special allowances for rent	420,000		
(6) 30.10.020.006-Special allowances for handicapped	704,000		
(7) 30.10.020.007-Alternative payment program	25,742,000		
(8) 30.10.020.008-Resource and referral	7,462,000		

Item		Amount
(9) 30.10.020.009-Campus child care tax bailout	3,986,000	
(10) 30.10.020.010-Protective services	1,017,000	
(10.5) 30.10.020.014-Job Training Partnership Act	2,500,000	
(11) 30.10.020.015-Extended Day Care	15,323,000	
(12) 30.10.020.016-California Child Care Initiative	250,000	
(c) Reimbursements		—35,202,000

Provisions:

1. Funds scheduled in category (b) (1) of this item, for county child care services, shall be allocated subject to the requirements of Sections 8279 and 8279.1 of the Education Code.
2. Community college districts which levied child development permissive override taxes pursuant to Sections 8329 and 8330 of the Education Code in the 1977–78 fiscal year and received fiscal relief through Chapter 282 of the Statutes of 1979 shall not receive reimbursement for child care services from the superintendent in excess of 75 percent of the average daily enrollment funding standards for campus child care programs. Campus child care programs operated by the University of California, California State University and Colleges, and community colleges that did not levy a permissive override tax in the 1977–78 fiscal year shall receive reimbursement from the superintendent which equals 100 percent of the average daily enrollment funding standards for campus child care programs.
3. The amount appropriated by this item for campus child care tax bailout shall be allocated by the Department of Education on order of the Chancellor of the California Community Colleges. The Chancellor shall order the allocation of these funds to community college districts which levied child care permissive override taxes in 1977–78 pursuant to Sections 8329 and 8330 of the Education Code in an amount equal to the property tax revenues, tax relief subven-

Item Amount

tions, and state aid required to be made available by the district to its child development program for the 1979–80 fiscal year pursuant to Section 30 of Chapter 1035 of the Statutes of 1979, increased by any cost-of-living increases granted in subsequent fiscal years. These funds shall be used only for the purpose of community college child development programs.

4. Until such time as new funding procedures are established by the State Department of Education, the following reimbursement factors shall remain in effect:
   (a) Under 4 hours per day: 50% of the full-time daily rate.
   (b) 4 to under 6½ hours: 75% of the full-time daily rate.
   (c) 6½ to under 10½ hours: 100% of the full-time daily rate.
   (d) 10½ hours and over: 150% of the full-time daily rate.
5. Repayments of loans made pursuant to Section 8277.2 of the Education Code, for minor capital outlay expenditures by a local child care and development agency to renovate or repair child care facilities owned by the state or a local government or nonprofit, nonsectarian agency to meet state and local health and safety standards, shall be reimbursable as actual and allowable costs. These reimbursable costs shall not exceed the maximum amount established by the contract between the State Department of Education and the contracting agency, and shall be allowable provided that the agency shall not reduce the level of services provided to children. No expenditure in excess of $500 may be made unless approved in writing in advance by the State Department of Education.
6. Notwithstanding any other provision of law, child development appropriations shall be available for expenditure for three years, except that funds remaining unencumbered as of June 30, 1987, shall revert to the General Fund. The Superintendent of Public Instruction shall reallocate any unearned contract funds pursuant to subdivision (b) of Section 8278 of the Education Code.

Item Amount

7. The State Department of Education shall report to the State Department of Social Services each quarter the number of eligible children receiving child care services, and the amount of related expenditures and any other information necessary, as determined by the Department of Social Services, for child care services provided to persons served in the State Department of Education child care programs who are eligible for federal fund reimbursement for child care services under Article 3.2 (commencing with Section 11320) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code.
8. Pursuant to the provisions of Section 10614 of the Welfare and Institutions Code, the Department of Social Services shall report to the Department of Finance the estimated level of child care and development expenditures made by the State Department of Education which are eligible for federal reimbursement under the provisions of Article 3.2 (commencing with Section 11320) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code. The Director of Finance is hereby authorized to augment the appropriation if it is determined that the estimate of expenditures eligible for reimbursement will be less than $32,702,000.

   A corresponding reduction shall be made in the level of scheduled reimbursements. The director shall report any such augmentation to the Legislature within 10 days of its occurrence. A sufficient amount is hereby appropriated to the Director of Finance for such purposes.
9. The California Child Care Initiative shall ensure that the state funds are matched with a minimum total $1,000,000 contribution from private corporations and local governments.
10. Recognizing that the availability of child care is essential to economic self-sufficiency, it is the intent of the Legislature to fund child care services as necessary to support the goal of full employment.

    Effective July 1, 1986, and notwithstanding the provisions of Sections 8263 and 8468.5 of the Education Code, if a GAIN participant reaches the top of a State Department of Education (SDE) waiting list and income and eligibility

Item Amount

criteria for SDE programs are met, he or she shall be retained at the top of the list and enrollment in an SDE-subsidized space shall be deferred until the parent becomes employed or is separated from GAIN, whichever comes first. At this time, the participant who has been deferred for an SDE space shall have priority in the order of deferral for the next available SDE-subsidized space, regardless of income level that meets SDE criteria (with the exception of priorities for abused and neglected children).

These requirements shall not apply to parents whose children are enrolled in an SDE-subsidized space prior to the parents' enrollment in GAIN.

The Department of Social Services (DSS) and SDE shall enter into a memorandum of understanding that specifies a level of service requirement by SDE programs for AFDC recipients. Both DSS and SDE shall collect the data by November 15, 1986, necessary to identify and monitor AFDC participation levels in SDE child care programs.

The Auditor General shall review the departments' data and certify by January 1, 1987, to the GAIN Oversight Committee the existing level of AFDC participation in SDE programs. In addition, the Auditor General shall evaluate and report on the potential availability of subsidized child care services to working poor who have not been GAIN participants.

If participation by AFDC recipients falls below the levels certified by the Auditor General, then the enrollment of GAIN participants as specified above shall not be deferred. Deferrals shall resume only if the AFDC participation levels are in excess of those certified above.

6100-196-890—For local assistance, Department of Education, Program 30.10—Child Development, payable from the Federal Trust Fund 2,140,000

Provisions:

1. Notwithstanding any other provision of law, the funds appropriated by this item, to the extent permissible under federal law, are subject to the provisions of Education Code 8262.

Item		Amount
6100-201-001—For local assistance, Department of Education, Program 30.20—Child Nutrition		37,360,000
Schedule:		
(a) 30.20.010—Child Nutrition	37,075,000	
(b) 30.20.020—Pregnant/Lactating Minors	285,000	
Provisions:		
1. Funds appropriated by schedule (a) of this item are for child nutrition programs pursuant to the provisions of Section 41311 and clause (3) of subdivision (a) of Section 41312 of the Education Code; and that claims for reimbursement of meals pursuant to this appropriation shall be submitted by school districts not later than September 30, 1987, to be eligible for reimbursement.		
2. Notwithstanding any other provisions of law, except as provided in this provision, funds appropriated by this item shall be available for allocation in accordance with provisions of Section 49536 of the Education Code, except that such allocation shall not be made on the basis of all meals served but shall be made on the basis of the number of meals that are served and which qualify as free or reduced priced meals in accordance with provisions of Sections 49501, 49550, and 49552 of the Education Code.		
6100-201-890—For local assistance, Department of Education, Program 30.20—Child Nutrition, payable from the Federal Trust Fund.		426,420,000
6100-203-890—For local assistance, Department of Education, Program 30.50—Donated Food Distribution, for the Temporary Emergency Food Assistance Program, payable from the Federal Trust Fund		3,800,000
6100-206-001—For local assistance, Department of Education, Program 30.40—Urban Impact Aid, for transfer to Section A of the State School Fund, for the purposes of Section 54060 of the Education Code		75,445,000
Schedule:		
(a) 30.40.001.001—For unified school districts pursuant to subdivision (a) of Section 54060 of the Education Code	65,860,000	

Item		Amount
(b) 30.40.001.002—For nonunified school districts pursuant to subdivision (b) of Section 54060 of the Education Code	9,585,000	
Provisions:		
1. Notwithstanding any other provision of law to the contrary, the amounts appropriated in this item and in subschedule (v) of Item 6100-226-001 shall be the maximum amount allocated for the purposes of Section 54060 of the Education Code.		
6100-207-001—For local assistance, Department of Education, Program 30.40.002—Meade Aid, for transfer to Section A of the State School Fund, for the purpose of Section 54061 of the Education Code	10,332,000	
Provisions:		
1. Funds appropriated in this item are in lieu of the amount which would otherwise be appropriated pursuant to Section 54058 of the Education Code.		
6100-209-001—For local assistance, Department of Education, for transfer to the Controller for reimbursement of claims received pursuant to Section 44944 of the Education Code, Program 10.10—School Apportionments	18,000	
6100-211-001—For local assistance, Department of Education, California State Library, Program 50.20—Statewide Library Support and Development	13,148,000	
Provisions:		
1. Funds appropriated by this item are for allocation by the California Library Services Board to eligible libraries and library systems pursuant to Chapter 4 (commencing with Section 18700) of Part 11 of the Education Code.		
2. Of the funds appropriated in this item, $4 million shall be expended for the Inter Library Loan Program of the California Library Services Act.		
6100-211-890—For local assistance, Department of Education, California State Library, Program 50.20—Statewide Library Support and Development, payable from the Federal Trust Fund	12,000,000	
6100-221-001—For local assistance, Department of Education, California State Library, Program 50.20—Statewide Library Support and Development—Public Library Foundation Program	20,000,000	

Item Amount

6100-222-001—For local assistance, Department of Education, for the purpose of Chapter 3 of Part 7 (commencing with Section 10200) of the Education Code—Program 20.60.020.001 Youth Suicide Prevention Program 312,000

Provisions:

1. The funds appropriated in this item shall be expended only upon approval by the Director of Finance, provided that such expenditure may not be authorized sooner than 30 days after notification in writing of the necessity therefor to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may determine. Prior to receiving approval to expend these funds, the Superintendent of Public Instruction shall certify to the Director of Finance that the counties participating in the youth suicide prevention pilot program have submitted an evaluation design that, in his opinion, is sufficient to determine whether the program has resulted in a statistically significant reduction in the rate of youth suicides and suicide attempts among participating students.
2. As a condition of receiving funds appropriated in this item, the demonstration counties participating in the youth suicide prevention pilot program shall develop and submit an evaluation design to the Superintendent of Public Instruction, the Department of Finance, and the Joint Legislative Budget Committee. The evaluation design shall be sufficient to determine, at a minimum, whether the pilot program has resulted in a statistically significant reduction in the rate of youth suicides and suicide attempts among students participating in the program. Based on the evaluation design, the participating agencies shall submit an annual evaluation report as required by Section 10210 of the Education Code. The evaluation report shall include: (1) a description of the evaluation's objectives and assumptions; (2) a description of the evaluation design, including design strengths and weaknesses and limitations of the data; (3) a discussion of the meaning and implications of the

Item Amount

evaluation findings; and (4) policy recommendations based upon the evidence of the evaluation (or a statement that the evidence is not sufficient to support a recommendation).

6100-224-001—For local assistance of Department of Education, Program 10.10-School Apportionments, for Transfer to Section A of the State School Fund, for the purposes of Sections 17717.7 and 17857 of the Education Code, incentive payments for utilizing alternatives to new construction and year-round schools 3,639,000

Provisions:

1. Notwithstanding any other provision of law, the funds appropriated in this item shall be the only funds allocated as incentive payments for year-round school operations and for incentive payments for utilizing alternatives to new construction.
2. Any eligible school district shall be permitted to receive funds pursuant to either Section 17717.7 or Section 17857 of the Education Code but not pursuant to both sections.
3. If a district receives state reimbursement specifically attributable to the cost of operating schools on a year-round basis pursuant to a court-ordered or voluntary desegregation program, the district shall be eligible for any portion of all of the allowances for incentive payments under this item for the 1986–87 fiscal year only to the extent that the district incurs costs in 1986–87 specifically attributed to operating schools on a year-round basis, as audited and approved by the Controller, that exceed claims submitted for state reimbursement and deemed to be allowable costs by the Controller for such year-round operation pursuant to Sections 17739, 44243.6 and 42249 of the Education Code for the 1986–87 fiscal year. Funds received pursuant to this item for year-round school incentives shall be used for costs solely attributable to operating schools on a year-round basis. Funds may be distributed during the 1986–87 fiscal year pursuant to the requirements of the previous two sentences. However, the Controller shall audit and may make adjustments to the funds distributed under this item in future years.

Item		Amount
6100-225-001—For local assistance, Department of Education, Program 20.60.020 School Climate (School/Law Enforcement)		150,000
Provisions:		
1. Funds provided by this item are for support of the Interagency School Safety Demonstration Act of 1985 pursuant to Chapter 2.5 (commencing with Section 32260) of Part 19 of the Education Code.		
6100-226-001—For local assistance, Department of Education, for cost-of-living increases to be transferred to, and in augmentation of the respective appropriations by the State Controller upon enactment in accordance with the following schedule:		759,229,000
Schedule:		
(a) 10.10—School Apportionments:		
(1) 10.10.001.001—K–12 Districts, for the purpose of paragraph (1) of subdivision (b) of Section 42238 of the Education Code and for programs operated pursuant to Section 42243.7 of the Education Code (for transfer to Item 6100-101-001)	573,752,000	
(2) 10.10.001.002—K–12 Districts for the purpose of subdivision (f) of Section 42238 of the Education Code (for transfer to Item 6100-101-001)	3,222,000	
(3) 10.10.001.003—Small School District Transportation Aid, for the purposes of Section 42240 and Section 42240.1 of the Education Code (for transfer to Item 6100-101-001)	629,000	
(4) 10.10.001.004—Meals for Needy Pupils Programs, for the purposes of Article 11 (commencing with Section 49550) of Chapter 9 of Part 27 of the Education Code (for transfer to Item 6100-101-001)	1,465,000	
(5) 10.10.001.005—Apprentice Programs, for the purpose of Section 8153 of the Education Code (for transfer to Item 6100-101-001)	105,000	

Item		Amount
(6)	10.10.004—Regional Occupational Centers and Programs, for the purpose of Article 1 (commencing with Section 52300) of Chapter 9 of Part 28 of the Education Code, in lieu of the amount which would otherwise be appropriated for inflation adjustments pursuant to Sections 2557 and 42238 of the Education Code (for transfer to Item 6100-102-001)	11,197,000
(7)	10.10.005—K–12 County Offices of Education, in lieu of the amount which would otherwise be appropriated for the purposes of Section 2557 and paragraph (2) of subdivision (a) of Section 2551.3 of the Education Code (for transfer to Item 6100-106-001)	10,832,000
(8)	10.10.006—Transportation, for the purpose of Article 10 (commencing with Section 41850) of Chapter 5 of Part 24 of the Education Code (for transfer to Item 6100-111-001)	9,035,000
(9)	10.10.008—Transportation, for the purpose of Article 4.5 (commencing with Section 42290) of Chapter 7 of Part 24 of the Education Code (for transfer to Item 6100-111-001)	99,000
(10)	10.10.011—Summer School Programs, for the purpose of Section 42239 of the Education Code (for transfer to Item 6100-101-001	3,637,000
(11)	10.10.018—School Apportionments, for the purpose of Section 42243.6 and 42247 of the Education Code (court-ordered desegregation)	11,122,000
(12)	10.10.019—School Apportionments, for the purpose of Section 42247 and 42249 of the Education Code (voluntary desegregation)	2,680,000
(b)	10.30.040—Demonstration Programs in Reading and Mathematics (for transfer to Item 6100-146-001)	233,000

Item		Amount
(c)	10.30.050—American Indian Education Centers (for transfer to Item 6100-151-001)	27,000
(d)	10.30.051—Native American Indian Education (for transfer to Item 6100-131-001)	11,000
(e)	10.30.070—Economic Impact Aid (for transfer to Item 6100-121-001)	6,162,000
(f)	10.50—Adult Education:	
(1)	10.50.010.001—In lieu of the amount which would otherwise be appropriated for the purpose of subdivision (a) of Section 52616 of the Education Code (for transfer to Item 6100-156-001)	12,819,000
(2)	10.50.010.002—Adults in Correctional Facilities, for the purpose of Section 41481.5 of the Education Code (for transfer to Item 6100-158-001)	107,000
(g)	10.60—Special Education:	
(1)	In lieu of the amount which would otherwise be appropriated for the purpose of Section 56723 of the Education Code (for transfer to Item 6100-161-001)	78,409,000
(2)	In lieu of the amount which would otherwise be appropriated for the purpose of Section 56782 of the Education Code (for transfer to Item 6100-161-001)	1,717,000
(h)	10.80.010—Gifted and Talented Program, in lieu of the amount which would otherwise be appropriated for purposes of Chapter 8 (commencing with Section 52200) of Part 28 of the Education Code (for transfer to Item 6100-124-001)	1,202,000
(i)	20.10.025—Curriculum Services—Educational Technology Program (for transfer to Item 6100-181-001)	818,000
(j)	20.10.035—Miller-Unruh Reading Program (for transfer to Item 6100-126-001)	1,059,000

Item		Amount
(k) 20.20.020.001—Instructional Materials Management and Distribution for Kindergarten through grade 8, in lieu of the amount which would otherwise be appropriated for inflation adjustments pursuant to Section 60246 of the Education Code (for transfer to Item 6100-186-001)	2,447,000	
(*l*) 20.20.020.002—Instructional Materials Management and Distribution for grades 9–12 (for transfer to Item 6100-187-001)	1,182,000	
(m) 20.40.060—Foster Youth Services for the purpose of Section 903 of the Welfare and Institutions Code (for transfer to Item 6100-119-001)	26,000	
(n) 20.40.090—Specialized Secondary Programs (for transfer to Item 6100-119-001)	66,000	
(o) 20.60.020.001—Youth Suicide Prevention (for transfer to Item 6100-222-001)	10,000	
(p) 20.60.020.002—Tenth Grade Counseling Program (for transfer to Item 6100-109-001)	238,000	
(q) 20.60.030—School Improvement Program (for transfer to Item 6100-116-001)		
(1) 20.60.030.001—School Improvement Grades K–6	10,013,000	
(2) 20.60.030.002—School Improvement Grades 7–12	1,016,000	
(r) 20.60—Staff Development:		
(1) 20.60.010.001—Administrator Training and Evaluation Program (for transfer to Item 6100-191-001 (a))	128,000	
(2) 20.60.060.001—School Personnel Staff Development (for transfer to Item 6100-191-001 (c))	114,000	
(3) 20.60.070—Bilingual Teacher Training (for transfer to Item 6100-191-001 (e))	26,000	

Item	Amount
(4) 20.60.090—Teacher Education and Computer Centers (for transfer to Item 6100-191-001(f))	394,000
(s) 30.10.010—Preschool Education (for transfer to Item 6100-196-001)	1,121,000
(t) 30.10.020—Child Care Services (for transfer to Item 6100-196-001 (b))	
(1) 30.10.020.001—General Child Development Programs	5,495,000
(2) 30.10.020.002—Campus Children's Centers	194,000
(3) 30.10.020.003—High-School-Age Parenting and Infant Development	209,000
(4) 30.10.020.004—Migrant Day Care	207,000
(5) 30.10.020.005—Special Allowances for Rent	13,000
(6) 30.10.020.006—Special Allowances for Handicapped	22,000
(7) 30.10.020.007—Alternative Payment Program	808,000
(8) 30.10.020.008—Resources and Referral	229,000
(9) 30.10.020.009—Campus Child Care and Tax Bailout	126,000
(10) 30.10.020.010—Protective Services	32,000
(11) 30.10.020.015—Extended Day Care	484,000
(u) 30.20—Child Nutrition (for transfer to Item 6100-201-001):	
(1) 30.20.010—Child Nutrition	1,223,000
(2) 30.20.020–Child Nutrition, Pregnant/Lactating Minors	9,000
(v) 30.40.001—Urban Impact Aid (for transfer to Item 6100-206-001)	
(1) 30.40.001.001—Urban Impact Aid Unified School Districts (subdivision (a))	2,081,000
(2) 30.40.001.002—Urban Impact Aid Nonunified School Districts (subdivision (b))	303,000
(w) 30.40.002—Meade Aid (for transfer to Item 6100-207-001)	326,000

Item Amount

(x) 50.20—Statewide Library Support and Development (for transfer to Item 6100-211-001) 348,000

Provisions:

1. The Department of Education shall apportion inflation allowances to juvenile hall programs on the basis of equal dollar amounts per ADA for each program.
2. Notwithstanding any other provision of law, the inflation adjustment calculation pursuant to Section 42238.1 of the Education Code is deemed to be 5.49 percent for the 1986–87 fiscal year.

6100-401—Notwithstanding any provision of law to the contrary, no funds appropriated by this act, or by any act enacted prior to the enactment of this act, shall be, in the absence of a court order, deemed appropriated or available for expenditure for purposes of claims for vocational education average daily attendance arising from Section 46140 of the Education Code as it read prior to the enactment of Chapter 1230 of the Statutes of 1977.

6100-490—Reappropriation, Department of Education. Notwithstanding any other provision of law, on the effective date of this act, the specified balances of the appropriations provided in the following citations, are reappropriated for the purposes provided for in such appropriations and any additional purposes provided in this section, and shall be available for expenditure until June 30, 1987:

001—General Fund

(1) Item 6100-146-001, Budget Act of 1985, the unencumbered balance, for the performance of evaluations and dissemination activities for Demonstration Programs in Reading and Mathematics.

(2) Item 6100-119-001 (b), Budget Act of 1984, the unencumbered balance, for the purpose of expanding Opportunity Classes and Programs.

(3) The unencumbered balance of paragraphs (2) and (3) of subdivision (a) of Section 5 of Chapter 1431 of the Statutes of 1985 for the purposes specified in Section 58558 of the Education Code.

Item Amount

(4) Schedule (f) of Item 6100-191-001 of the Budget Act of 1985, the undisbursed balance for the Teacher Instructional Improvement Grants, for the purposes of developing a proposal and funding a project that promotes the sharing among classroom teachers of innovative projects developed under the Classroom Teacher Instructional Improvement Program.

(5) Schedule (a) of Item 6100-191-001 of the Budget Act of 1985, unencumbered balance of $250,000 redirected by Chapter 1149, Statutes of 1985, for the purpose of training school business personnel.

(6) Schedule (c) of Item 6100-191-001 of the Budget Act of 1984, $175,000 of the unencumbered balance, for the Department of Education to contract for an evaluation of the results of the implementation of Chapter 498, Statutes of 1983.

(7) Schedule (c) of Item 6100-191-001 of the Budget Act of 1984, $75,000 for the purpose of facilitating establishment of Education Policy Trust Agreements in school districts as proposed by the Commission on the Teaching Profession Report.

(9) Schedule (b) of Item 6100-191-001 of the Budget Act of 1984, the unencumbered balance for Pilot Projects for Administrative Personnel.

(10) Item 6100-121-001 of the Budget Act of 1985, $625,000 for settlement of the final audit determination identified as ACN 00002-09, Education Appeal Board Case No. 2-(57)-80.

(11) The unencumbered balance of Chapter 1131, Statutes of 1985, for the purposes specified in Sections 16 and 17.

(12) Item 6100-102-001 of the Budget Act of 1985, the $500,000 augmentation made by Section 15.5 of Chapter 1025, Statutes of 1985. This amount shall be used in the 1986–87 fiscal year exclusively to fund the educational services to GAIN recipients pursuant to Chapter 1025. These funds shall be apportioned by the Superintendent of Public Instruction only to regional occupational centers and programs that certify that they have fully utilized their authorized allocations under Item 6100-102-

Item Amount

001 of the 1986 Budget Act. The receipt of reappropriated funds shall not be used for computational purposes for any regional occupational center's or program's authorized allocation level in 1986–87 or subsequent fiscal years.

(13) Item 6100-156-001 of the Budget Act of 1985, the $500,000 augmentation made by Section 15.5 of Chapter 1025, Statutes of 1985. This amount shall be used in the 1986–87 fiscal year exclusively to fund the educational services to GAIN recipients pursuant to Chapter 1025. These funds shall be apportioned by the Superintendent of Public Instruction only to school districts that certify that they are unable to provide educational services to GAIN recipients within their adult education block entitlements. The receipt of reappropriated funds shall not be used for computational purposes for any school district's block entitlement in 1986–87 or subsequent fiscal years.

(14) Schedule (a) of Item 6100-191-001 of the Budget Act of 1985, the unencumbered balance for the purposes of the Administrator Training and Evaluation Program pursuant to Article 3 (commencing with Section 44681) of Chapter 3.1 of Part 25 of the Education Code.

Provisions:

1. Notwithstanding any other provision of law, the amount reappropriated shall be the maximum amount allocated for the purposes of Article 2.3 of Part 27 (commencing with Section 48643) of the Education Code. If the total reappropriation is not sufficient to fund all excess costs of expanding Opportunity Classes and Programs as provided in Section 48643 of the Education Code, a deficit factor will be applied to all district apportionments as necessary.
2. Notwithstanding Section 48644 of the Education Code, funds allocated to school districts for the expansion of Opportunity Classes and Programs shall not exceed $425 per unit of average daily attendance (ADA), based on the additional enrollment in these classes and programs above the 1982–83 enrollment levels, expressed in terms of ADA. For the purposes of making this allocation to Opportunity Programs, the super-

Item Amount

intendent shall use the following definition to express enrollment in Opportunity Programs in terms of ADA. Using total positive clock hours scheduled and attended during the year, 405 hours of opportunity program assignment equals one Opportunity Program ADA. (405 hours is the product of a Second Principal Apportionment divisor of 135 and three hours of attendance per day.)

3. Subject to the restrictions in Provision 1, a cost-of-living adjustment will be applied to the maximum incentive payment per ADA of $425.
4. The funds reappropriated from Schedule (f) of Item 6100-191-001 of the Budget Act of 1985 shall be encumbered only upon approval by the Director of Finance. The Director of Finance shall authorize the expenditure of these funds no sooner than 30 days after notification in writing to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may in each instance determine.

6100-495—Reversions, Department of Education. As of June 30, 1986, the unencumbered balance of the appropriations provided in the following citation shall revert to the unappropriated surplus of the fund from which the appropriation was made.

001—General Fund

(1) Subdivision (a) of Section 5 of Chapter 1026, Statutes of 1985, for the purpose of funding extended day care programs.
(2) Subdivision (b) of Section 14 of Chapter 1025, Statutes of 1985 for the Resource and Referral program.
(3) Subdivision (a) of Section 4 of Chapter 1299, Statutes of 1985 for the expansion of child care alternative payment programs.
(4) Chapter 4, Statutes of 1985, Section 1 for the purposes of reimbursing claims submitted by school districts for costs associated with court-ordered and voluntary desegregation programs.
(5) The sum of $65,000 appropriated by Chapter 1651 of the Statutes of 1984.

Item		Amount
6300-111-001—For transfer to the Retirees' Purchasing Power Protection Account within the Teachers' Retirement Fund pursuant to Section 24701 of the Education Code, for the payment of increased annual cost-of-living adjustments for retirants, disabilitants, and beneficiaries in excess of the 2-percent adjustment authorized by Section 22131 of the Education Code		110,688,000
6320-001-001—For support of California State Council on Vocational Education		58,000
Schedule:		
(a) 10-State Council on Vocational Education	295,000	
(b) Amount payable from the Federal Trust Fund (Item 6320-001-890) ..	−237,000	
6320-001-890—For support of California State Council on Vocational Education, for transfer to Item 6320-001-001, payable from the Federal Trust Fund		237,000
6330-001-890—For support of the California Occupational Information Coordinating Committee, payable from the Federal Trust Fund		104,000
Schedule:		
(a) 10.00-California Occupational Information Coordinating Committee	127,000	
(b) Reimbursements	−23,000	
6350-201-001—For local assistance, School Facilities Aid Program—Asbestos Abatement, for transfer to the Asbestos Abatement Fund, for the purposes of Section 39619.9 of the Education Code		5,000,000
Provisions:		
1. Of the funds transferred to the Asbestos Abatement Fund, $150,000 shall be available for expenditure in support of the Department of Industrial Relations, Cal-OSHA, as appropriated in Item 8350-001-973, for increasing monitoring and inspections of school asbestos abatement projects.		
6350-201-973—For local assistance, School Facilities Aid Program—Asbestos Abatement for the purposes of Section 39619.9 of the Education Code, payable from the Asbestos Abatement Fund		4,850,000

Item Amount

Provisions:

1. Notwithstanding any other provision of law, the State Allocation Board shall require local education agencies receiving funds appropriated in this item to agree to the following conditions: In the event the local education agency receives an award for the costs of asbestos abatement as a result of any lawsuit or claim brought by it or on its behalf against asbestos manufacturers or any person determined to be liable for these costs, a part of such award shall be used to repay funds which the agency receives from this item. The amount of the repayment shall equal the product of (a) the amount received from funds appropriated in this item and (b) the proportion of total asbestos abatement expenditures made by the agency which are compensated as a result of the lawsuit or claim.
2. (a) Funds allocated from this item to any school district or county office of education may be expended only pursuant to a model asbestos abatement contract developed by the State Allocation Board, pursuant to supplemental report language to the 1985 Budget Act.
   (b) No funds allocated from this item may be used to reimburse the costs of asbestos abatement activities completed under contract with a person, firm, or school district which fails to meet the qualifications established by the State Allocation Board for all bidders for school asbestos abatement contracts.
3. Notwithstanding any other provision of law, the State Allocation Board shall provide from the Asbestos Abatement Fund to each eligible school district, an amount equal to 50 percent of the approved cost of asbestos abatement projects. The board may increase the allocation to any district by the amount it determines necessary to complete critical projects, provided that the district agrees to contribute to the Asbestos Abatement Fund an amount equal to the lesser of (1) one-half of 1 percent of the district's general fund and adult education budget (excluding capital outlay and debt service) each year for a period of five years or (2) 25 percent of the total costs of projects for districts with

Item Amount

4,499 ADA or less for which the district receives an apportionment from the Asbestos Abatement Fund or (3) 50 percent of the total costs of projects for districts with 4,500 ADA or more for which the district receives an apportionment from the Asbestos Abatement Fund.

6360-001-407—For support of Commission on Teacher Credentialing, payable from the Teacher Credentials Fund 7,968,000

Schedule:

(a) 10-Standards for Preparation and Licensing of Teachers 7,682,000

(b) 10.60.01-Departmental Administration 1,749,000

(c) 10.60.02-Distributed Departmental Administration ..... −1,463,000

Provisions:

1. Notwithstanding the provisions applicable to Item 9840-001-494, if at any time during the fiscal year the average credential processing turnaround time exceeds 60 days, the Department of Finance shall authorize a deficiency expenditure pursuant to Section 11006 of the Government Code to augment the number of authorized positions to assist in lowering the credential processing time to less than 30 calendar days. The Department of Finance shall report the deficiency within 30 days of the date on which the deficiency authorization occurs.

6420-001-001—For support of California Postsecondary Education Commission 3,771,000

Schedule:

(a) 100000-Personal Services 2,561,000

(b) 300000-Operating Expenses and Equipment 1,413,000

(c) Amount payable from the Federal Trust Fund (Item 6420-001-890) .. −129,000

(d) Reimbursements ..... −74,000

Provisions:

1. Of the amount appropriated in this item, $190,000 is provided for the increased cost in the lease for office space for the Commission staff, and any relocation expense, if necessary.

Item		Amount
3. Of the funds appropriated in this item, $50,000 shall be available only for expenditure for support of the Talent Development Study upon approval of the Director of Finance, pursuant to the provisions of Section 28.00.		
6420-001-890—For support of California Postsecondary Education Commission, to be transferred to Item 6420-001-001, payable from the Federal Trust Fund		129,000
6420-011-001—For support of the California Postsecondary Education Commission, to conduct a study of staff development in school districts and public postsecondary education institutions		400,000
6420-101-890—For local assistance, California Postsecondary Education Commission, payable from the Federal Trust Fund		2,465,000
Schedule:		
(a) Grants	3,675,000	
(b) Reimbursements	−1,210,000	
6425-001-001—For support of Commission for Review of the Master Plan for Higher Education		588,000
Schedule:		
(a) 100000-Personal Services	285,000	
(b) 300000-Operating Expenses and Equipment	303,000	
Provisions:		
1. Of the amount appropriated in this item, $100,000 shall be available only if the January 1, 1987, due date of the commission's final report, pursuant to Chapter 1507 of the Statutes of 1984, is extended through legislation enacted in the 1985–86 session.		
6440-001-001—For support of University of California		1,738,678,000
Schedule:		
(a) Support	1,720,363,000	
(b) Charles Drew Medical Program	6,213,000	
(c) Podiatry Program	849,000	
(d) Center for Global Peace	550,000	
(e) Mathematics, Engineering and Science Achievement (MESA)	1,803,000	
(f) Acquired Immune Deficiency Syndrome (AIDS) Research	9,200,000	
Provisions:		
1. The appropriations from these funds are exempt from Section 31 of this act.		

Item Amount

2. None of the funds appropriated may be expended to initiate major capital outlay projects, either by contract or lease-purchase agreement, without prior legislative approval, except for cogeneration and energy conservation projects. Exempted projects shall be reported under the provisions of Section 28 of this act.
3. The funds appropriated in category (b) are for support of University of California program of clinical health sciences education, research, and public service, conducted in conjunction with the Charles R. Drew Postgraduate Medical School, as provided for in Sections 1, 2, and 3 of Chapter 1140 of the Statutes of 1973.
4. The University of California shall ensure by adequate controls that funds appropriated by Schedule (b) are expended solely for the support of such programs.
5. The funds appropriated by Schedule (c) are for support of a program of basic and clinical health science education and primary health care delivery research in the field of podiatry, University of California, to be conducted in conjunction with the California College of Podiatric Medicine as provided for in Sections 1 and 4, inclusive, of Chapter 1497, Statutes of 1974.
6. Of the amount in Schedule (a), $2,629,957 shall be available for expenditure only for support of the Northern and Southern Occupational Health Centers as established by a contract entered into with the Department of Industrial Relations pursuant to Section 50.8 of the Labor Code.
7. Of the funds appropriated in Schedule (f), $8,200,000 shall be available only for expenditure to support research into Acquired Immune Deficiency Syndrome (AIDS) within the University of California, and a total of $1,000,000 is available to support AIDS research conducted by nonprofit organizations outside of the university. If the University AIDS Task Force is unable to use this entire $1,000,000 amount on such nonuniversity projects, the unused amount shall revert to the General Fund.
8. $4,080,000 of the amount in Schedule (a) shall be available only for microelectronics research, and shall be expended subject to the oversight and

Item Amount

policy direction of a committee, to be appointed by the president of the university and to consist of equal numbers of state government, university, and electronics or semiconductor, or both, industry representatives, for the purposes of advancing appropriate research and graduate education in microelectronics research, including innovative research in microelectronics technology, its applications in computer and information sciences, and its necessary antecedents in other physical science disciplines.

The expenditure of the $4,080,000 available for microelectronic research shall also be subject to the following conditions:

(1) The university may utilize no more than $204,000 of the $4,080,000 for administrative and related costs.

(2) The university may utilize a portion of the $4,080,000 as support for graduate student education and related professional teaching support.

(3) To the extent possible, expenditures subject to the limits in paragraphs (1) and (2) shall be reimbursed through the joint research projects specified in paragraph (4).

(4) The balance of the appropriation shall be used to fund industry/academic joint research projects for the policy purposes noted above, on a project-by-project basis, with a one-to-one match in total from the $4,080,000 and an industry contribution respectively.

9. No funds appropriated by this act may be used by the Regents of the University of California to reclassify instructional capacity space, administrative space, library space, or faculty offices to other uses unless and until any such proposed reclassification is first approved by the Department of Finance and 30 days' written notification is provided to the Chairperson of the Joint Legislative Budget Committee or his or her designee, or not sooner than such lesser time as the chairperson of such committee, or his or her designee, may in each instance determine.

10. Since it is the intent of the Legislature in enacting this act that no qualified student be denied admission to the University of California be-

Item	Amount
cause of a budget deficiency caused by unanticipated additional enrollments, the Director of Finance may, following the adoption of a resolution by the Regents of the University of California declaring an enrollment emergency, authorize the accelerated expenditure of amounts budgeted for the university, in the form of an agreement to seek a supplementary appropriation from the General Fund to the extent necessary to ensure that all qualified students can be admitted when the Director of Finance certifies that the systemwide enrollment of the University of California exceeds by 2 percent or more the enrollment upon which the budget for the university was based; provided, that no increased expenditure may exceed $6,000,000 in the aggregate for both the University of California and the California State University or be authorized sooner than 30 days after notification in writing of the necessity therefor to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than such lesser time as the chairperson of such committee, or his or her designee, may in each instance determine. In the event that the systemwide enrollment of the University of California is under the budgeted enrollment by more than 2 percent, such excess shall be unallocated by the Director of Finance. Unallocated funds may be reallocated to preclude layoffs only after the Director of Finance has approved such action and shall not be authorized sooner than 30 days after notification in writing of the necessity therefor to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than such lesser time as the chairperson of such committee, or his or her designee, may in each instance determine. For purposes of this provision, graduate enrollments of the University of California shall be excluded from all calculations.	

Item Amount

11. The funds appropriated in Schedule (e) shall not be available for expenditure unless non-state matching funds equal to or exceeding one-half of the amount herein appropriated are obtained for this program on or before June 30, 1987. If insufficient matching funds are obtained to fully expend this appropriation at the 2:1 ratio, then the amount allocated for this program shall be reduced to twice the amount of matching funds provided.
12. (a) Of the funds herein appropriated, $27,624,000 is for increases in salaries and wages, including increases in benefits related thereto, for nonacademic employees, and $8,698,000 is for increases in other benefits for academic and nonacademic employees, so that sufficient money will be available for each employee of the University of California whose compensation or portion thereof, is chargeable to the General Fund, to receive any such increases provided on or after July 1, 1986, by the Regents of the University of California.
    (b) Amounts proposed above for employee compensation increases constitute the total increase in compensation for employees as specified above of the University of California for the 1986–87 fiscal year. Funds appropriated for employee compensation increases are to be allocated by the Regents of the University of California for employees of the University of California, in accordance with salary and benefit schedules established by the Regents of the University of California.
13. Of the funds appropriated in Schedule (a), $1,500,000 is available for additional janitorial services. It is the intent of the Legislature that these additional services shall be performed by university employees only, and not by contract personnel.
14. The University of California shall adhere to Section 19130 of the Government Code (Standards for Use of Personal Contracts) in the same manner as other state agencies.

Item	Amount
6440-001-046—For support of University of California, Institute of Transportation Studies, payable from the Transportation Planning and Development Account, State Transportation Fund	956,000
6440-001-144—For support of University of California, Research in Mosquito Control, payable from the California Water Fund	100,000
6440-001-814—For support of University of California, for allocation by the State Controller in accordance with the provisions of Government Code Section 8880.5 as enacted by the voters in Proposition 37 at the November 1984 General Election, payable from the California State Lottery Education Fund	10,200,000
Provisions:	
1. All funds received pursuant to Proposition 37 that are allocable to the University of California pursuant to Section 8880.5 of the Government Code and that are in excess of the amount appropriated in this item are hereby appropriated in augmentation of this item.	
6440-006-001—For support of the University of California, in addition to, and in augmentation of Item 6440-001-001, Program 45, Student Financial Aid, to provide financial aid to needy students attending the University of California, according to the nationally accepted needs analysis methodology	35,644,000
6440-011-001—For support of University of California, for augmentation for employee compensation	37,830,000
Provisions:	
1. The funds herein appropriated are for increases in salaries and wages, including increases in benefits related thereto, so that sufficient money will be available for each academic employee of the University of California whose compensation, or portion thereof, is chargeable to the General Fund, to receive any such increases provided on or after July 1, 1986, by the Regents of the University of California.	
2. Amounts proposed for employee compensation increases constitute the total increase in compensation as specified above for academic employees of the University of California for the 1986–87 fiscal year. Funds appropriated for employee compensation increases are to be allocated by the Regents of the University of California for employees of the University of California, in accordance with salary and benefit schedules es-	

Item	Amount
tablished by the Regents of the University of California.	
6440-016-001—For transfer to the University of California for support of the teaching hospitals at Irvine, San Diego, and Sacramento, upon order of the Director of Finance, to offset any net losses incurred by the teaching hospitals for the 1986–87 fiscal years	7,500,000

Provisions:

1. It is the intent of the Legislature that all funds transferred to the University of California under Item 6440-016-001 of the Budget Act of 1985 be allocated to offset any net losses incurred by the teaching hospital at Irvine for any or all of the 1983–84, 1984–85, and 1985–86 fiscal years, and to offset any net losses incurred by the teaching hospitals at San Diego and Sacramento for the 1985–86 fiscal year.
2. All funds appropriated under Item 6440-016-001 of the Budget Act of 1985 that were not transferred to the University of California are hereby reappropriated for transfer to the University of California for the purposes set forth in Provision (1), upon the order of the Director of Finance. The funds reappropriated under this provision that exceed the amount necessary for the purposes prescribed herein shall be reappropriated to offset any net losses incurred at the Irvine, Sacramento, and San Diego teaching hospitals for the 1986–87 fiscal year.
3. The amount in this item shall be reduced by the amount of any reappropriation made from the 1985 Budget Act for this purpose.
4. It is the intent of the Legislature that up to an additional $7,500,000 be appropriated in the 1986–87 deficiency bill for transfer to the University of California, upon the order of the Director of Finance, to offset net losses incurred by the teaching hospitals at Irvine, San Diego, and Sacramento for the 1986–87 fiscal year.
5. It is the intent of the Legislature that any Medi-Cal payment related to adjustments for 1982–83 or prior years, received in 1986–87 not be included in the calculation of net gain or loss for the 1986–87 fiscal year.

6440-301-146—For Capital Outlay, University of California, payable from the Capital Outlay Fund for Public Higher Education	500,000

0 40 6940 0

Item		Amount
Schedule:		
Universitywide:		
(1) 99.00.005-Minor capital outlay	500,000	
Provisions:		
1. The amount appropriated in category (1), minor capital outlay, shall be used to finance the following work, in priority order:		
(a) Mandatory Health and Safety Code corrections.		
(b) Improvements to the Long Marine Laboratory, Santa Cruz campus, to support research on water pollutants and marine life.		
(c) Planning for high-priority minor projects for which construction is to be financed from general obligation bond proceeds under Item 6440-301-782(1).		
If the amount of funds available under this item is not sufficient to fund these priorities, the funds appropriated under Item 6440-301-782(1) shall be used to finance the work.		
6440-301-525—For Capital Outlay, State Public Works Board, payable from the High Technology Education Revenue Bond Fund from the proceeds from the sale of bonds, negotiable notes or negotiable bond anticipation notes for the construction of University of California facilities pursuant to Chapter 1268, Statutes of 1983		72,118,000
Schedule:		
Berkeley Campus:		
(1) 99.01.005-Construct genetics and plant biology building	17,734,000	
Irvine Campus:		
(2) 99.09.020-Working drawings and construct physical sciences unit 2	27,559,000	
Santa Barbara Campus:		
(7) 99.08.010-Construct biotechnology seawater laboratory.....	6,375,000	
Santa Cruz Campus:		
(8) 99.07.010-Working drawings and construct natural sciences unit 3 Agriculture and Natural Resources:.....	20,450,000	

Item	Amount

Provisions:

1. In addition to the cost of construction, the State Public Works Board may authorize any additional amounts necessary to pay the costs of financing, including interest during construction of the project, a reasonably required reserve fund, and the cost of issuance of permanent financing after completion of the project.
2. The State Public Works Board may authorize the augmentation of the cost of the construction of the projects set forth in this item under the board's authority under Section 13332.11 of the Government Code.
3. An amount not to exceed the amount of unsold bonds or notes which the Public Works Board has by resolution authorized to be sold for projects authorized by this item may be loaned from the General Fund upon approval by the Director of Finance for deposit into a special account in the High Technology Education Revenue Bond Fund, to be used for the construction of facilities to be financed pursuant to this item. Any amounts made available from the General Fund under this provision shall be repaid to the General Fund from the proceeds received from the sale of bonds or notes. These amounts shall be repaid to the General Fund with interest at the rate which the Treasurer certifies would have been earned on those amounts if invested in the Surplus Money Investment Fund.
4. Prior to advertising for bids on the Genetics and Plant Biology Building on the Berkeley Campus, the university shall report to the chairpersons of the fiscal committees and the Chairperson of the Joint Legislative Budget Committee that sufficient nonstate funds are available or have been committed by the regents to finance the nonstate funded portion of the project.
5. The funds appropriated in this item for the Berkeley campus, Genetics and Plant Biology Building, shall be allocated by the Department of Finance in accordance with the schedule and expenditure plan developed by the university using the "Early Delivery System" design and construction technique. The proposed procedures shall provide adequate information at the

Item		Amount

completion of the preliminary planning to justify all construction funding requirements for this project.

The construction amount approved for this project is based on the costs and schedules developed through the Early Delivery System procedures without regard to the base construction cost index established for projects budgeted in the 1984–85 Governor's Budget.

The Early Delivery System implementation phase shall be developed with sufficient cost control procedures so that any funds appropriated for this project shall not require augmentation in excess of 5 percent by administrative action pursuant to Section 16352 of the Government Code. The university shall submit a report on a quarterly basis to the Department of Finance and the Joint Legislative Budget Committee on the progress of the Early Delivery System. The report shall include the most recent information on the anticipated project cost and implementation schedule.

6. Upon completion of working drawings, and prior to advertising for bids on the projects funded under this item, the university shall report to the chairpersons of the fiscal committees and the Chairperson of the Joint Legislative Budget Committee on its efforts to reduce the cost of the projects. If cost savings cannot be achieved, the report shall indicate the reasons for maintaining the current project cost.

6440-301-736—For Capital Outlay, University of California, payable from the State Higher Education Construction Program Bond Act of 1966		200,000
Schedule:		
(1) 99.03.005-Annual payment toward purchase of Sacramento Medical Center	200,000	
6440-301-782—For Capital Outlay, University of California, payable from the Higher Education Capital Outlay Bond Fund		86,375,000
Schedule:		
Universitywide:		
(1) 90.00.005-Minor capital outlay	6,000,000	
(2) 90.00.010-Programming and preliminary plans	200,000	

Item	Amount
Berkeley Campus:	
(3) 99.01.025-Construction and equip Etcheverry Hall alterations	1,304,000
(4) 99.01.035-Preliminary plans and working drawings, seismic safety corrections, Wheeler Hall	118,000
(5) 99.01.040-Construction, seismic safety corrections, South Hall	3,536,000
(6) 99.01.045-Construction campus electrical system, step 1	2,961,000
(7) 99.01.055-Equip life sciences building addition	3,957,000
(8) 99.01.060-Preliminary plans, Northwest animal facility	450,000
Davis Campus:	
(9) 99.03.020-Working drawings, Shields Library alterations and expansion	1,645,000
(9.1) 99.03.065-Working drawings and construct chlorination/dechlorination facility	660,000
Davis Health Sciences:	
(10) 99.03.200-Preliminary plans, working drawings and construction, heat recovery incinerator, UCD Medical Center	411,000
(11) 99.03.205-Construct emergency department remodel, UCD Medical Center	1,442,000
(12) 99.03.210-Construct energy conservation improvements, UCD Medical Center	884,000
(13) 99.03.215-Purchase duplication equipment, UCD Medical Center	481,000
(14) 99.03.220-Construct ambulatory surgery unit expansion, UCD Medical Center	924,000
(15) 99.03.225-Purchase and install digital electronic telephone system, UCD Medical Center	1,250,000
Irvine Campus:	
(16) 99.09.015-Equip engineering laboratory	2,259,000
(17) 99.09.040-Working drawings and construct central plant chiller expansion, step 1	1,984,000

Item	Amount
(18) 99.09.045-Preliminary plans, biological sciences, unit 2	1,231,000
(19) 99.09.055-Working drawings and construct campus primary electrical expansion	957,000
Irvine Campus Health Sciences:	
(20) 99.09.200-Working drawings and construct diagnostic services module expansion UCI Medical Center	576,000
(21) 99.09.205-Construct and equip pathology laboratory consolidation, UCI Medical Center	452,000
(22) 99.09.210-Working drawings and construct energy conservation programs, UCI Medical Center	372,000
(23) 99.09.215-Working drawings, construct and equip outpatient services facility, UCI Medical Center	2,285,000
(24) 99.09.220-Preliminary plans and working drawings Cancer Center Module, UCI Medical Center	1,147,000
(25) 99.09.225-Preliminary plans and working drawings psychiatric inpatient facility, UCI Medical Center	1,819,000
Los Angeles Campus:	
(26) 99.04.005-Construct law school addition and related alterations	6,231,000
(27) 99.04.030-Preliminary plans, chemistry and biological sciences addition	1,350,000
Riverside Campus:	
(29) 99.05.005-Construct replacement of greenhouses 1–5	2,013,000
(30) 99.05.010-Construct and equip hazardous waste facility	953,000
San Diego Campus:	
(31) 99.06.015-Working drawings and construct instruction and research facility	17,600,000
(32) 99.06.025-Construct Urey Hall air handling system improvements	1,298,000
(33) 99.06.035-Equip engineering building, Unit 1	5,000,000

Item	Amount
(34) 99.06.040-Preliminary plans and working drawings, Graduate School of International Relations and Pacific Studies	480,000
San Diego Health Sciences:	
(35) 99.06.200-Preliminary plans, working drawings, and construct multipurpose administrative facility UCSD Medical Center	5,040,000
(36) 99.06.205-Preliminary plans and working drawings, inpatient tower completion and modernization UCSD Medical Center	693,000
San Francisco Campus:	
(37) 99.02.005-Working drawings, Campus Library	1,600,000
(38) 99.02.030-Preliminary plans and working drawings, SFGH animal care facility improvements	135,000
Agriculture and Natural Resources:	
(39) 99.10.005-Construct Kearney Agricultural Center development	4,677,000

Provisions:

1. Funds appropriated for category (2) shall be released only for those major capital outlay projects for which working drawings and construction are anticipated to be included in the 1987–88 Governor's Budget, except that a maximum of $100,000 shall be available for expenditure on July 1, 1986, for utility and site development studies and for development of environmental impact reports for major capital outlay projects and for development of cost/benefit analyses of planning alternatives for proposed 1988–89 capital outlay projects.
2. Notwithstanding the provisions of Section 2.00 of this act, the appropriations made for equipment items only shall be available for expenditure only during the 1986–87 and 1987–88 fiscal years.
3. The moneys appropriated by this item from the Higher Education Capital Outlay Bond Fund are for the construction, renovation, or replacement of higher education facilities. These funds represent a bond appropriation contingent upon: (a) voter approval of the bond measure; and (b) available revenues derived from the sale of these bonds or these loan proceeds as may

Item Amount

be authorized by the bond act.

4. Prior to requesting construction funds for seismic corrections to Wheeler Hall on the Berkeley campus, the university shall advise the chairpersons of the fiscal committees and the Chairperson of the Joint Legislative Budget Committee that the proposed work will correct deficiencies consistent with the life safety objectives used by the Seismic Safety Commission in its survey of all state buildings.
5. Upon completion of working drawings, and prior to advertising for bids on the Shields Library alterations, Davis campus; instruction and research facility, San Diego campus; and the Campus Library, San Francisco campus projects, the university shall report to the chairpersons of the fiscal committees and the Chairperson of the Joint Legislative Budget Committee on its efforts to reduce the cost of these projects. If cost savings cannot be achieved, the report shall indicate the reasons for maintaining the current project.
6. The university shall identify funds available from existing resources to finance the proposed seismic study of the Powell Library on the Los Angeles campus.

6440-401—The Regents of the University of California shall not undertake any project funded from the Health Sciences Hospital Reserve Fund, which is in excess of $200,000, unless the scope and cost of any such project is approved by the Director of Finance and 30 days' written notification is provided to the Chairperson of the Joint Legislative Budget Committee or his or her designee, or not sooner than such lesser time as the chairperson of such committee, or his or her designee, may in each instance determine. Any project funded from the Health Sciences Hospital Reserve Fund, of less than $200,000, shall be reported to the Chairperson of the Joint Legislative Budget Committee by December 1 of each fiscal year. Any urgent project concerned with patient life or safety may proceed without prior approval or notification but such project shall be identified in the report provided each December 1.

Item Amount

The university shall provide to the Director of Finance and the Chairperson of the Joint Legislative Buget Committee a payback analysis for each project and the reasons offered to justify expenditure for the project on either a financial, an academic program, or a basic patient care need basis. This requirement shall not apply to fire and safety code projects in inpatient areas or urgent projects concerning patient life or safety.

The university may also propose the use of hospital reserves for the purchase of replacement or new equipment. The university shall submit an annual plan for equipment purchases which justifies proposed purchases on a financial, an academic program, or a patient care need basis.

6440-490—Reappropriation, University of California. Notwithstanding any other provision of law, the unencumbered balance, as of June 30, 1986, of the appropriation made in Item 6440-001-001 of the Budget Act of 1985, is hereby reappropriated for replacement of instructional equipment, deferred maintenance, and special repair projects, and shall be available for encumbrance until June 30, 1987. Provisions:

1. The University of California shall report to the Department of Finance and the Joint Legislative Budget Committee the amount of the unencumbered balance, on June 30, 1986, of Item 6440-001-001 of the Budget Act of 1985, by September 30, 1986, and the expenditures made pursuant to this item by September 30, 1987.

6440-491—Reappropriation, University of California. Notwithstanding any other provision of law, the unencumbered balances of the appropriations provided in the following citation are reappropriated on the effective date of this act for the purposes provided for in those appropriations, and shall be available for expenditure until June 30, 1987.

146—Capital Outlay Funds For Public Higher Education:

(1) San Diego Campus:
Item 6440-311-146(3), Budget Act of 1985, working drawings and construction for intensive care unit modernization and consolidation.

Item — Amount

6440-495—Reversion, University of California. As of June 30, 1986, the unencumbered balance of the appropriation provided in the following citation shall revert to the unappropriated surplus of the fund from which the appropriation was made.

146—Capital Outlay Fund for Public Higher Education

Los Angeles Campus:

Item 6440-301-146 (23), Budget Act of 1985, Working drawings and construct law school addition and related alterations.

6600-001-001—For support of Hastings College of the Law 10,686,000

Provisions:

1. The appropriations from these funds are exempt from Section 31.00 of this act.
2. (a) Of the funds herein appropriated, $177,000 is for increases in salaries and wages, including increases in benefits related thereto, for nonacademic employees, and $52,000 is for increases in other benefits for academic and nonacademic employees, such that sufficient money will be available for each employee of Hastings College of the Law whose compensation, or portion thereof, is chargeable to the General Fund, to receive any such increase provided on or after July 1, 1986, by the Directors of Hastings College of the Law.

   (b) Amounts proposed above for employee compensation increases constitute the total increase in compensation for employees as specified above of Hastings College of the Law for the 1986–87 fiscal year. Funds appropriated for employee compensation increases are to be allocated by the Directors of Hastings College of the Law for the employees of Hastings College of the Law in accordance with salary and benefit schedules established by the Directors of Hastings College of the Law.

Item	Amount
6600-001-814—For support of Hastings College of the Law, for allocation by the State Controller in accordance with the provisions of Government Code Section 8880.5 as enacted by the voters in Proposition 37 at the November 1984 General Election, payable from the California State Lottery Education Fund	113,000
Provisions: 1. All funds received pursuant to Proposition 37 that are allocable to the Hastings College of the Law pursuant to Section 8880.5 of the Government Code and that are in excess of the amount appropriated in this item are hereby appropriated in augmentation of this item.	
6600-001-890—For support of Hastings College of the Law, amount payable from the Federal Trust Fund	625,000
6600-006-001—For support of Hastings College of the Law, in addition to, and in augmentation of Item 6600-001-001, Program 40, Student Services, to provide financial aid to needy students attending Hastings College of the Law, according to the nationally accepted needs analysis methodology	521,000
6600-011-001—For support of Hastings College of the Law, for augmentation for employee compensation	235,000
Provisions: 1. The funds herein appropriated are for increases in salaries and wages, including increases in benefits related thereto, such that sufficient money will be available for each academic employee of Hastings College of the Law whose compensation, or portion thereof, is chargeable to the General Fund, to receive any such increase provided on or after July 1, 1986, by the Directors of Hastings College of the Law. 2. Amounts proposed for employee compensation increases constitute the total increase in compensation as specified above for academic employees of Hastings College of the Law for the 1986–87 fiscal year. Funds appropriated for employee compensation increases are to be allocated by the Directors of Hastings College of the Law for the employees of Hastings College of the Law in accordance with salary and benefit schedules established by the Directors of Hastings College of the Law.	

Item Amount

6600-490—Reappropriation, Hastings College of the Law. Notwithstanding any other provision of law, the unencumbered balance, as of June 30, 1986, of the appropriation made in Item 6600-001-001 of the Budget Act of 1985, is hereby reappropriated for instructional equipment, deferred maintenance, and special repair projects, and shall be available for encumbrance until June 30, 1987.

Provisions:

1. The Hastings College of the Law shall report to the Department of Finance and the Joint Legislative Budget Committee the amount of the unencumbered balance, on June 30, 1986, of Item 6600-001-001 of the Budget Act of 1985, by September 30, 1986, and the expenditures made pursuant to this item by September 30, 1987.

6610-001-001—For support of Trustees of the California State University and the California State University 1,325,694,000

Schedule:

(a) 01-Instruction	907,238,000
(b) 03-Public Service	1,191,000
(c) 04-Academic Support	162,002,000
(d) 05-Student Service	124,797,000
(e) 06-Institutional Support	345,113,000
(f) 07-Independent Operations	47,176,000
(g) Special Adjustment—Cost-of-Living Increase	164,000
(h) 11-Provision for Allocation	−13,412,000
(i) 97.02-Unallocated Employee Compensation	29,284,000
(j) Reimbursements	−26,543,000
(k) Amounts payable from the General Fund (Item 6610-010-001)	−251,316,000

Provisions:

1. The funds appropriated in this item shall be subject to the provisions of Section 13320 of the Government Code and applicable Budget Act restrictions with the following exceptions:
   (a) The trustees may transfer excess salary savings funds from the salary savings reserve allotments to expenditure allotments provided such transfers do not exceed 20 percent of salary savings. Excess salary savings funds are those in excess of the amount budgeted.
   (b) The trustees may approve transfer of funds

Item Amount

between one or more of the programs for which funds are appropriated for the support of the California State University.

Any transfer of funds made under the above exceptions shall be reported to the Department of Finance and Joint Legislative Budget Committee within 30 days after the end of each quarter in which such transfer was approved.

2. The funds appropriated in this item may be reallocated upon order of the Trustees of the California State University subject to being reported to the Department of Finance; provided that no instructional faculty positions authorized for the 1986–87 fiscal year shall be used for administration, administrative assistance, department chairmanships, or noninstructional research.
3. No portion of the funds appropriated in this item for instructionally related activities may be expended for intercollegiate athletics.
4. No funds appropriated in this item or Item 6610-021-146 or Item 6610-301-146 may be used by the Trustees of the California State University to reclassify instructional capacity space, administrative space, library space, or faculty offices to other uses unless and until any such proposed reclassification is first approved by the Department of Finance and 30 days' written notification is provided to the Chairperson of the Joint Legislative Budget Committee or his or her designee, or not sooner than such lesser time as the chairperson of the committee, or his or her designee, may in each instance determine.
5. Since it is the intent of the Legislature in enacting this act that no qualified student be denied admission to the California State University because of a budget deficiency caused by unanticipated additional enrollments, the Director of Finance may, following the adoption of a resolution by the Trustees of the California State University declaring an enrollment emergency, authorize the accelerated expenditure of amounts budgeted for the state university, in the form of an agreement to seek a supplementary appropriation from the General Fund to the extent necessary to ensure that all qualified students can be admitted when the Director of Finance certifies that the systemwide enroll-

Item Amount

ment of the California State University exceeds by 2 percent or more the enrollment upon which the budget for the state university was based; provided, that no increased expenditure may exceed $6,000,000 in the aggregate for both the California State University and the University of California or be authorized sooner than 30 days after notification in writing of the necessity therefor to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than such lesser time as the chairperson of such committee, or his or her designee, may in each instance determine.

In the event that the systemwide enrollment of the California State University is under the budgeted enrollment by more than 2 percent, such excess shall be unallocated by the Director of Finance. Unallocated funds may be reallocated to preclude layoffs only after the Director of Finance has approved such action and shall not be authorized sooner than 30 days after notification in writing of the necessity therefor to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than such lesser time as the chairperson of such committee, or his or her designee, may in each instance determine.

Based upon fall annualized full-time equivalent (FTE) students, all surplus funds withdrawn from any campus consistent with the policy of the California State University (CSU) system due to fluctuations in student enrollments, shall be returned:

(a) To campuses with enrollments in excess of the budgeted level consistent with the CSU policy and

(b) To all campuses for allocation to the programs of "Instruction" and "Academic Support".

"Surplus" is defined as those funds in excess of that returned to the state pursuant to this section. No exceptions to the above prescribed allocation may be made unless prior approval is given by the Department of Finance and is reported to the Chairperson of the Joint Legisla-

Item	Amount

tive Budget Committee, and the financial necessity of any such exception shall be identified.

6. The funds appropriated in this item for Program 05—Student Service, to provide financial aid to California State University students, shall be used to provide financial aid to needy students according to the nationally accepted needs analysis methodology.
7. Of the funds herein appropriated, $25,410,000 is for increases in salaries and wages, including increases in benefits related thereto for nonfaculty employees, and $4,509,000 is for increases in other benefits for faculty and nonfaculty employees, in such amounts as will make sufficient money available for each employee of the California State University, whose compensation, or portion thereof, is chargeable to the General Fund, to receive any such increases provided on or after July 1, 1986 by the Trustees of the California State University.

   Funds appropriated for employee compensation increases are to be expended in accordance with approved memoranda of understanding or, for employees excluded from collective bargaining in units not yet certified, or in units that are certified but are not bargaining for a 1986–87 memorandum of understanding as of the date of this act, in accordance with salary and benefit schedules established by the Trustees of the California State University.
9. Effective Winter Quarter (or Spring Semester) 1987, no funds shall be appropriated for enrollment in courses for participation in intramural athletics, student orientation to the university, or student orientation to the campus library, if these courses, upon review, are determined not to be academically based. The chancellor, with the advice of the Academic Senate, shall develop guidelines, including criteria for identifying these courses. This provision shall be implemented by January 1, 1987. The chancellor shall submit a report to the Joint Legislative Budget Committee by March 30, 1987, on the guidelines, including a description of the process for developing the guidelines and a list of the courses affected.

Item		Amount
6610-001-140—For support of Trustees of the California State University and of the California State University, in addition to and in augmentation of Item 6610-001-001, Academic Support, Program 04, payable from the California Environmental License Plate Fund		100,000
Schedule:		
(a) 04-Academic Support	100,000	
6610-001-814—For support of Trustees of the California State University and the California State University, for allocation by the State Controller in accordance with the provisions of Government Code Section 8880.5, as enacted by the voters in Proposition 37 at the November, 1984, General Election, payable from the California State Lottery Education Fund		18,500,000
Provisions:		
1. All funds received pursuant to Proposition 37 that are allocable to the California State University pursuant to Section 8880.5 of the Government Code and that are in excess of the amount appropriated in this item are hereby appropriated in augmentation of this item.		
6610-001-890—For support of Trustees of the California State University and the California State University for Student Service Program 05, payable from the Federal Trust Fund		74,960,000
6610-006-001—For support of the Trustees of the California State University and of the California State University, for transfer to the Affordable Student Housing Revolving Fund		350,000
Provisions:		
1. The funds appropriated by this item are for the purpose of subsidizing interest costs in connection with bond financing for construction of affordable student housing at the Fullerton and Hayward Campuses in accordance with the provisions of Article 3 (commencing with Section 90085) of Chapter 8 of Part 55 of the Education Code.		
6610-010-001—For support of Trustees of the California State University and the California State University, for transfer to Item 6610-001-001, payable from CSU fees, Uniform Codes Manual revenue account 142800, General Fund		251,316,000

Item Amount

Provisions:

1. All funds received in account 142800 and that are in excess of the amount appropriated in this item are hereby appropriated in augmentation of this item.

6610-021-001—For support of Trustees of the California State University, payable from the General Fund 10,716,000

Schedule:

(a) 06-Institutional Support (deferred maintenance and special repair projects) 10,716,000

Provisions:

1. Notwithstanding the provisions of Section 2.00 of this act, the funds appropriated by category (a) shall be available for expenditure until June 30, 1988.

6610-031-001—For support of Trustees of the California State University and the California State University, for augmentation for employee compensation 48,729,000

Schedule:

97.20-Unallocated Employee Compensation Increase 48,729,000

Provisions:

1. The funds herein appropriated are for increases in salaries and wages, including increases in benefits related thereto, to be allocated by the Department of Finance, in augmentation of Item 6610-001-001 or allocations for support or for other purposes, in such amounts as will make sufficient money available for each faculty employee of the California State University, whose compensation, or portion thereof, is chargeable to the General Fund, to receive any such increases provided on or after July 1, 1986 by the Trustees of the California State University.
2. Funds appropriated for employee compensation increases are to be allocated by executive order of the Department of Finance to the Trustees of the California State University in accordance with approved memoranda of understanding or, for employees excluded from collective bargaining in units not yet certified, or in units that are certified but are not bargaining for a 1986–87 memorandum of understanding as of the date of this act, in accordance with salary and benefit schedules established by the Trustees of the California State University.

Item		Amount
3. No faculty salary increase that is the result of a bonus payment or granted on any other one-time basis shall be subject to retirement contributions or taken into consideration when calculating final compensation for purposes of determining an employee's retirement allowance under either the State Teachers' Retirement System or the Public Employees Retirement System. These one-time increases shall not be added to the university's base budget in subsequent years.		
6610-301-146—For Capital Outlay, Trustees of the California State University and the California State University, payable from the Capital Outlay Fund for Public Higher Education		3,750,000
Schedule:		
Systemwide—Trustees of the California State University:		
(3) 06.48.315.000-Statewide Minor Capital Outlay, preliminary plans, working drawings, construction and equipment	592,000	
(3.1) 06.48.315-Statewide preliminary plans, working drawings and construction, asbestos abatement	1,861,000	
(3.3) 06.48.315-Statewide, preliminary plans and working drawings, asbestos abatement, major projects	165,000	
Humboldt State University:		
(8.1) 06.67.070-Construct, Remodel Science Building	350,000	
(8.2) 06.67.082-Preliminary Plans for Student and Business Services Building	101,000	
California State University, Long Beach:		
(11.1) Preliminary Plans for North Campus Addition	83,000	
(11.2) 06.71.089-Working Drawings to Renovate Chemistry Laboratories	112,000	
California State University, Sacramento:		
(13.1) 06.76.058-Preliminary Plans for Library II	241,000	
California State University, Northridge:		
(13.2) 06.82.056-Preliminary Plans for Library II	245,000	

Item	Amount
Provisions:	
2. Withdrawals shall be as required to meet current obligations as certified by the Trustees of the California State University.	
6610-301-525—For Capital Outlay, State Public Works Board, payable from High Technology Education Revenue Bond Fund from the proceeds from the sale of bonds, negotiable notes or negotiable bond anticipation notes for the construction of California State University facilities pursuant to Chapter 1268, Statutes of 1983	26,057,000
Schedule:	
San Jose State University:	
(8) 06.86.087-Working Drawings and Construction for Engineering 26,057,000	
Provisions:	
1. In addition to the cost of construction, the State Public Works Board may authorize any additional amounts necessary to pay the costs of financing, including interest during construction of the project, a reasonably required reserve fund and the cost of issuance of permanent financing after completion of the project.	
2. The State Public Works Board may authorize the augmentation of the cost of the construction of the projects set forth in this item under the board's authority under Section 13332.11 of the Government Code.	
3. An amount not to exceed the amount of unsold bonds or notes which the Public Works Board has by resolution authorized to be sold for projects authorized by this item may be loaned from the General Fund upon approval by the Director of Finance for deposit into a special account in the High Technology Education Revenue Bond Fund, to be used for the construction of facilities to be financed pursuant to this item. Any amounts made available from the General Fund under this provision shall be repaid to the General Fund from the proceeds received from the sale of bonds or notes. These amounts shall be repaid to the General Fund with interest at the rate which the Treasurer certifies would have been earned on those amounts if invested in the Surplus Money Investment Fund.	
4. Funds appropriated for the San Jose Engineer-	

Item		Amount
	ing Addition and Alterations project in this item shall be allocated by the State Public Works Board and the Department of Finance in accordance with the schedule and expenditure plan developed by the campus using the "Early Delivery System" design and construction technique. Notwithstanding any other provision of law, the Trustees of the California State University shall have all authority necessary to conduct the project using the "Early Delivery System" in accordance with the requirements of this item. The proposed procedures shall provide adequate information at the completion of the preliminary planning to justify future funding requirements for this project. Any future request for this project shall be based on the costs and schedules developed through the "Early Delivery System" procedures without regard to the base construction cost index established for projects budgeted in the 1986–87 Governor's Budget. The "Early Delivery System" implementation phase shall be developed by the campus with sufficient cost control procedures so that any funds appropriated for this project shall not require augmentation by administrative action pursuant to Section 16352 of the Government Code. The California State University shall submit a report on a quarterly basis to the Department of Finance, the Joint Legislative Budget Committee, and the fiscal committees on the progress of the "Early Delivery System." The report shall include the most recent information on the anticipated project cost and implementation schedule.	
6610-301-660—For Capital Outlay, State Public Works Board, payable from the Public Buildings Construction Fund, from the proceeds from the sale of bonds, negotiable notes or negotiable bond anticipation notes for the construction of California State University Library facilities pursuant to Chapter 836, Statutes of 1984		1,870,000
Schedule:		
California State University—Chico:		
(3) 06.52.091—Construct unfinished space in library	1,870,000	

Item		Amount
Provisions: 1. In addition to the cost of construction, the State Public Works Board may authorize any additional amounts necessary to pay the costs of financing, including interest during construction of the project, a reasonably required reserve fund and the cost of issuance of permanent financing after completion of the project. 2. The State Public Works Board may authorize the augmentation of the cost of the construction of the projects set forth in this item under the board's authority under Section 13332.11 of the Government Code. 3. An amount not to exceed the amount of unsold bonds or notes which the Public Works Board has by resolution authorized to be sold for projects authorized by this item may be loaned from the General Fund upon approval by the Director of Finance for deposit into a special account in the Public Building Construction Fund, to be used for the construction of facilities to be financed pursuant to this item. Any amounts made available from the General Fund under this provision shall be repaid to the General Fund from the proceeds received from the sale of bonds or notes. These amounts shall be repaid to the General Fund with interest at the rate which the Treasurer certifies would have been earned on those amounts if invested in the Surplus Money Investment Fund.		
6610-301-736—For Capital Outlay, Trustees of the California State University and the California State University, payable from the State Construction Program Fund (State Higher Education Construction Program Bond Act of 1966), for the following projects		455,000
Schedule:		
San Francisco State University:		
(1) 06.84.073-Equip, remodel business building	60,000	
California State University, San Jose:		
(1.5) 06.86.078-Preliminary plans, renovate old science building	130,000	
San Jose State University:		
(2) 06.86.083-Equip, remodel old library	265,000	

Item		Amount
6610-301-782—For Capital Outlay, Trustees of the California State University and the California State University, payable from the Higher Education Capital Outlay Bond Fund		78,430,000
Schedule:		
Systemwide—Trustees of the California State University:		
(1) 06.48.313-Statewide, Preliminary planning for selected 1987–88 projects	250,000	
(2) 06.48.314-Statewide, Architectural services	200,000	
(3) 06.48.315-Statewide, Preliminary planning, Working Drawings, Construction and equipment for minor Capital Outlay	3,555,000	
California State University, Bakersfield:		
(6) 06.50.047-Construct Gymnasium	4,430,000	
California State College, Chico:		
(7) 06.52.089-Working Drawings for renovating Ayers Hall	80,000	
California State University, Dominguez Hills:		
(8) 06.54.001-Working Drawings for storm drainage	16,000	
California State University, Fullerton:		
(9) 06.62.066-Working drawings engineering building addition	90,000	
(10) 06.62.066-Construct engineering building addition	7,255,000	
California State University, Humboldt:		
(11) 06.67.084-Working Drawings Founders Hall Renovation	143,000	
California State University, Long Beach:		
(12) 06.71.081-Working drawings library addition, North campus	166,000	
(13) 06.71.089-Construct Renovate Chemistry Labs	2,643,000	
(13.1) 06.73.077-Preliminary plans, Arts Complex	200,000	
California State University, Los Angeles:		
(14) 06.73.080-Construct Remodel fine arts building	1,499,000	
California State University, Sacramento:		
(15) 06.76.058-Working drawings, Library II	483,000	

Item	Amount
(16) 06.76.075-Working drawings, Engineering/Computer Sciences Addition	87,000
(17) 06.76.075-Construct engineering/computer sciences addition	10,808,000
California State University, San Bernardino:	
(18) 06.78.067-Equip faculty office building	19,000
San Diego State University:	
(19) 06.80.058-Equip physical sciences building rehabilitation	174,000
(20) 06.80.102-Construct classroom/faculty/student services building	7,144,000
(21) 06.80.105-Construct life science building rehabilitation	3,596,000
(22) 06.80.108-Working drawings Women's Gymnasium rehabilitation	143,000
(23) 06.80.136-Construct elevator for physically handicapped	220,000
California State University, Northridge:	
(24) 06.82.056-Working drawings, Library II	491,000
(25) 06.82.057-Construct science addition and remodel	12,501,000
San Francisco State University:	
(26) 06.84.059-Working drawings and construction faculty offices	1,348,000
(27) 06.84.085-Preliminary plans, remodel and addition, arts and industry addition arts and industry building	200,000
San Jose State University:	
(28) 06.86.078-Working drawings, renovate old science building	260,000
Sonoma State University:	
(29) 06.90.055-Working drawings and construct Theatre Arts building	4,182,000
California State University, Stanislaus:	
(30) 06.92.050-Working drawings and construct Library II	6,561,000
California Polytechnic State University-San Luis Obispo:	
(31) 06.96.085-Preliminary plans and working drawings, remodel engineering east	240,000

Item		Amount
(32) 06.96.087-Preliminary plans, Dairy Science buildings		30,000
California State Polytechnic University, Pomona:		
(33) 06.98.089-Construct Library addition		6,196,000
(34) 06.98.090-Construct Music/office building addition		3,220,000

Provisions:

1. Notwithstanding the provisions of Section 2.00 of this act, the appropriations made for equipment items shall be available for expenditure only during the 1986–87 and 1987–88 fiscal years.
2. Withdrawals shall be as required to meet current obligations as certified by the trustees of the California State University.
3. Funds appropriated in category (1) shall be available only for those major capital outlay projects for which working drawing funds or working drawings and construction funds are expected to be included in the 1987–88 Governor's budget, except that a maximum of $120,000 shall be available for expenditure on July 1, 1986, for utility and site development for major capital outlay projects and for development of benefit/cost analyses of planning alternatives for proposed 1988–89 capital outlay projects.
4. The moneys appropriated by this item from the higher education capital outlay bond fund are for the construction, renovation, or replacement of higher education facilities. These funds represent a bond appropriation contingent upon: (a) voter approval of the bond measure; and (b) available revenues from the sale of bonds or loan proceeds as may be authorized by the bond act.
5. The procedures used by the chancellor's office in requesting and awarding construction bids for the Bakersfield Gymnasium shall ensure that the award of contract represents the lowest responsible bid for the state-funded project, regardless of bids received on the nonstate-funded project. If the lowest responsible bid on the combined project does not include the lowest responsible bid for the state-funded project, the CSU shall use nonstate funds to offset the differential for the state-funded portion.

   If the bids for the state-funded project are favorable, the CSU shall award a construction

Item Amount

contract regardless of the bids on the nonstate-funded project.

6. Notwithstanding any other provision of law, any augmentation authorized by the State Public Works Board for the Faculty Office Addition project at San Francisco shall be limited to inflation cost increases based on the Engineering News Record Construction Cost Index.
7. Provided that the funds appropriated under this item for preliminary planning for Remodel Arts and Industry Building and Addition project at San Francisco shall not be allocated to the CSU system until the Chancellor's Office, the Department of Finance and the Legislative Analyst's Office have agreed on the appropriate project scope that is consistent with existing state space guidelines as applied to the disciplines to be housed in the new/remodelled facilities.

6610-490—Reappropriation, California State University. Notwithstanding any other provision of law, an amount not in excess of the unencumbered balance, as reported by the California State University as of June 30, 1986, of the appropriation made in Item 6610-001-001 of the Budget Act of 1985, less $5,000,000, is hereby reappropriated for replacement of instructional equipment, deferred maintenance and special repair projects, and for the concurrent enrollment program, and shall be available for encumbrance until June 30, 1988.

Provisions:

1. The California State University shall report to the Department of Finance and the Joint Legislative Budget Committee the amount of the unencumbered balance, on June 30, 1986, of Item 6610-001-001 of the Budget Act of 1985, by September 30, 1986, and the expenditures made pursuant to this item by September 30, 1987 and September 30, 1988.

6610-491—Reappropriation, California State University. Notwithstanding any other provision of law, the unencumbered balances of the appropriations provided in the following citation are reappropriated on the effective date of this act, for the purposes provided for in those appropriations, and shall be available for expenditure until June 30, 1987.

Item	Amount
146—Capital Outlay Fund for Public Higher Education	
1. Item 6610-301-146, Budget Act of 1985:	
(8) Engineering building addition, California State University, Fullerton	
(9) Remodel science building, Humboldt State University	
(13) Engineering/computer science addition, California State University, Sacramento	
6610-495—Reversion, California State University. As of June 30, 1986, the unencumbered balance of the appropriations provided in the following citations shall revert to the unappropriated surplus of the fund from which the appropriations were made:	
146—Capital Outlay Fund for Public Higher Education	
Item 6610-301-146, Budget Act of 1985:	
(1) (i) Elevator for dramatic arts, San Diego State University.	
(5) Complete unfinished space in library, California State University, Chico.	
(30) Working drawings and Construction, Theater Arts Building, Sonoma State University.	
6860-001-001—For support of California Maritime Academy	6,158,000
Schedule:	
(a) 10-Instruction	3,611,000
(b) 20-Academic Support	1,877,000
(c) 30-Student Services	3,375,000
(d) 40.01-Administration	2,980,000
(e) 40.02-Distributed Administration	−2,980,000
(f) Reimbursements	−1,990,000
(g) Amount payable from the California Maritime Academy Continuing Education Revenue Fund (Item 6860-001-519)	−284,000
(h) Amount payable from the Federal Trust Fund (Item 6860-001-890)	−401,000
(i) Amount payable from California Maritime Academy Trust Fund, continuous appropriation	−30,000

Item	Amount
Provisions:	
1. Of the funds appropriated by this item, $422,000 shall be available for fuel oil purchases for the operation of the training ship, The Golden Bear. To the extent that federal funds become available for this purpose, the Director of Finance shall unallot and revert to the General Fund an amount of up to $422,000 and increase the amount of reimbursements scheduled in this item by a corresponding amount. The Director of Finance shall report these changes to the Joint Legislative Budget Committee.	
2. Of the funds appropriated by this item, $100,000 shall be available for a diesel engine for the Marine Engineering laboratory with additional funding to come from other sources. The $100,000 shall be available for encumbrance until June 30, 1987.	
6860-001-519—For support of California Maritime Academy, for transfer to Item 6860-001-001, payable from the California Maritime Academy Continuing Education Revenue Fund	284,000
6860-001-814—For Support, California Maritime Academy, for transfer to California Maritime Academy Trust Fund, for allocation by the State Controller in accordance with the provisions of Government Code Section 8880.5 as enacted by the voters in Proposition 37 at the November 1984 General Election, payable from the California State Lottery Education Fund	(30,000)
6860-001-890—For support of California Maritime Academy, to be transferred to Item 6860-001-001, payable from the Federal Trust Fund	401,000
Provisions:	
1. The Department of Finance shall increase the funds appropriated in this item by the amount of federal funds received in 1986–87 for the purchase of fuel oil.	
6860-301-782—For Capital Outlay, California Maritime Academy, payable from the Higher Education Capital Outlay Bond Fund	335,000
Schedule:	
(1) 70.68.005—Minor projects 335,000	

Item		Amount
Provisions:		
1. The funds appropriated by this item from the Higher Education Capital Outlay Bond Fund are for construction, renovation, or replacement of higher education facilities. These funds represent a bond appropriation contingent upon (a) voter approval of the bond measure and (b) available revenues derived from the sale of these bonds or loan proceeds as may be authorized by the bond act.		
6870-001-001—For support of Board of Governors of the California Community Colleges		7,463,000
Schedule:		
(a) 10-Apportionments	1,514,000	
(b) 20-Special Services and Operations	8,201,000	
(c) 30.01-Administration	3,395,000	
(d) 30.02-Administration—Distributed	−3,395,000	
(e) Reimbursements	−2,066,000	
(f) Amount payable from the Federal Trust Fund (Item 6870-001-890)	−186,000	
Provisions:		
1. Of the amount appropriated in this item, $40,000 is provided for State Operations in support of Instructional Improvement programs in lieu of any amount which otherwise would be appropriated for that purpose pursuant to Education Code Sections 84383 and 84384.		
2. Of the amount appropriated in this item, $25,000 is provided for State Operations in support of the Cooperative Agencies Resources for Education program in accordance with the provisions of Chapter 1029, Statutes of 1982.		
3. Upon certification by the chancellor, the Controller shall transfer up to $95,000 from the amount appropriated in category (a) of Item 6870-101-001 to this item for the purpose of funding a Washington, D.C. office. This office shall be established for the purpose of representing the California Community Colleges before the various federal agencies and the Congress. Funds transferred pursuant to this provision shall not be considered in the calculation of any apportionment deficit.		

Item		Amount
4. Notwithstanding any other provision of law, of the amount appropriated for financial aid for the period July 1, 1986 to June 30, 1987 in Chapter 1, Second Extraordinary Session, Statutes of 1984, as amended by Chapter 1401, Statutes of 1984, an amount, not to exceed $200,000, may be used for the administration of this aid. The Chancellor shall certify to the Director of the Department of Finance the amount of funds needed. Upon review of this certification, the Director of Finance shall certify to the Controller the necessity for the additional funds. Upon receipt of the director's certification, the Controller shall transfer the amount certified in augmentation of Item 6870-001-001, Schedule (b) 20—Special Services and Operations in this Act.		
6870-001-165—For support of Board of Governors of the California Community Colleges, Program 20.20.010—Special Services and Operations—Faculty and Administrative Credentials, payable from the Community College Credentials Fund		637,000
Provisions:		
1. Subject to the conditions of Article 4 (commencing with Section 87271) of Chapter 2 of Part 51 of the Education Code, and based on increases in credential applications, Item 6870-001-165 may be increased subject to the approval of the Department of Finance and notification of the Joint Legislative Budget Committee in accordance with the provisions of Section 28.00 of this act.		
6870-001-890—For support of Board of Governors of the California Community Colleges, for transfer to Item 6870-001-001, payable from the Federal Trust Fund		186,000
6870-101-001—For local assistance, Board of Governors of the California Community Colleges		1,243,919,000
Schedule:		
(a) 10-Apportionments	1,158,366,000	
(b) 20.10.010-Community College Extended Opportunity Programs and Services	30,630,000	
(c) 20.10.020-Disabled Students	29,165,000	
(d) 20.10.050-Transfer Centers	2,318,000	
(e) 20.20.020-Partial Financing of the Academic Senate for the Community Colleges	111,000	

Item		Amount
(ex)	20.20.040-Staff development	10,000,000
(f)	20.30.020-Instructional Improvement, for Transfer to the Community College Fund for Instructional Improvement	539,000
(g)	20.40.020-Deferred maintenance	12,740,000
(h)	20.30.030-Vocational Education Special Projects	4,526,000
(hx)	20.30.035-Vocational education allocations	27,574,000
(i)	Reimbursements	−32,050,000

Provisions:

1. The funds appropriated in Schedule (a) are for transfer by the State Controller during the 1986–87 fiscal year to Section B of the State School Fund, in lieu of the amount which otherwise would be appropriated for transfer from the General Fund in the State Treasury to Section B of the State School Fund for the 1986–87 fiscal year pursuant to Section 14020 of the Education Code, as needed, in addition to the sums accruing to Section B of the State School Fund from other sources for the purposes specified in this item for apportionment pursuant to Chapter 4.5 of Part 50 of the Education Code.
2. (a) Notwithstanding any other provision of law, after sufficient funds have been allocated to comply with the provisions of Article 1 (commencing with Section 84700) of Chapter 5 of Part 50 of the Education Code, an amount not to exceed $39,413,000 of the amount appropriated in Schedule (a) shall be allocated to community college districts by the Chancellor of the California Community Colleges for allocation to those districts which are most in need of revenue adjustments due to declining average daily attendance in the 1984–85 and 1985–86 fiscal years.

   (b) Funds allocated to districts for purposes of deferring revenue adjustments for declining average daily attendance shall not be considered as part of the district base revenues for the 1987–88 fiscal year. Prior to the allocation of funds in excess of the amount necessary to meet the provisions of Article 1 (commencing with Section 84700) of

Item Amount

Chapter 5 of Part 50 of the Education Code, the chancellor shall first obtain the approval of the Director of Finance. The Director of Finance shall notify the Joint Legislative Budget Committee of the methods to be used for allocating these funds not less than 30 days prior to the allocation.

3. Of the amount appropriated in Schedule (a), up to $10,421,000 shall be available as necessary upon certification by the Chancellor of the California Community Colleges for the purpose of funding community college related and supplemental instruction pursuant to Section 3074 of the Labor Code as provided in Section 8153 of the Education Code. No community college district shall use funds available under this provision to offer any new or expansion of apprenticeship training program(s) unless that program(s) has been approved by the chancellor.
4. Of the amount in Schedule (a), up to $3,978,000 may be allocated by the chancellor for the funding of employer-based job training programs of the type funded pursuant to Provision 12 of Item 6870-101-001 of the Budget Act of 1982. These programs shall be consistent with the intent of that provision and with the criteria adopted by the Board of Governors for allocating funds under that provision.

4.3. Notwithstanding any other provision of law, $200,000 of the funds appropriated in Schedule (a) shall be for allocation to community college districts in the 1986–87 fiscal year for the purposes of funding extraordinary needs in adult education programs in English as a second language provided under paragraph (3) of subdivision (a) of Section 84711 of the Education Code. The allocation of these funds shall be made pursuant to the provisions of Chapter 1441 of the Statutes of 1985.

4.5. Notwithstanding any other provision of law, any funds allocated pursuant to Section 84707 of the Education Code shall not be considered as part of the base revenues for community college districts in computing the 1987–88 apportionments, as prescribed in Section 84701 of the Education Code. The additional ADA gen-

Item Amount

erated above each district's ADA cap shall not be added to the subsequent year's ADA base, and the additional revenues and ADA shall not be included in calculations for determining the average revenues per ADA.

5. The funds appropriated in Schedule (b) are for transfer by the State Controller during the 1986–87 fiscal year to Section B of the State School Fund for activities conducted under the provisions of Article 8 (commencing with Section 69640) of Chapter 2 of Part 42 of Division 5 of Title 3 of the Education Code. The Board of Governors shall allocate funds on a priority basis and to local programs on the basis of need for student services and financial aid.
6. Of the amount in Schedule (b), $715,000 is provided for local assistance in support of the Cooperative Agencies Resources for Education program in accordance with the provisions of Chapter 1029, Statutes of 1982.
7. Of the amount in Schedule (b), $900,000 is provided for local assistance in support of the Foster Parent Training program in accordance with the provisions of Chapter 1597, Statutes of 1984.
8. The funds appropriated in Schedule (c) are for transfer by the State Controller during the 1986–87 fiscal year to Section B of the State School Fund, in lieu of the amount which otherwise would be appropriated for transfer from the General Fund in the State Treasury to Section B of the State School Fund for the 1986–87 fiscal year pursuant to Section 14020 of the Education Code, for funding the excess direct instructional cost of providing special facilities, special education materials, educational assistance, mobility assistance, transportation, program accountability, program developmental services for handicapped students enrolled at community colleges, and for state hospital programs.
9. The funds appropriated in Schedule (d) are to fund up to 20 transfer centers on a pilot project basis in accordance with proposals submitted by districts to the Chancellor's Office.
10. The funds appropriated in Schedule (f) shall be expended only for grants.

Item		Amount
	11. Of the amount appropriated in Schedule (h), $1,050,000 shall be used for continued funding of the Counselor and Instructor In-Service Training Program initiated in Chapter 1662, Statutes of 1984. An evaluation plan, containing the same evaluation elements as those specified in that chapter, shall be submitted to the Department of Finance by October 15, 1986.	
	12. Notwithstanding Section 8152 of the Education Code, each 60-minute hour of teaching time devoted to each indentured apprentice enrolled in and attending classes of related and supplemental instruction as provided under Section 3074 of the Labor Code shall be reimbursed at the rate of three dollars and eighty-five cents ($3.85) per hour. For purposes of this provision, each hour of teaching time may include up to 10 minutes for passing time and breaks.	
	13. Notwithstanding any other provision of law, health services as specified in Section 72246.5 of the Education Code shall refer to the program level and type of each health service provided by the affected community college districts in the 1983–84 fiscal year.	
	14. Notwithstanding the provisions of Section 2.00 of this act, the funds appropriated by category (g) shall be available for expenditure until June 30, 1988.	
	15. Notwithstanding the provisions of subdivision (c) of Section 903.7 of the Welfare and Institutions Code, if sufficient moneys are available in the Foster Children and Parent Training Fund, up to $1,000,000 shall be transferred from the Foster Children and Parent Training Fund to the unappropriated balance of the General Fund in reimbursement for expenditures made for the Foster Parent Training Program from appropriations of $900,000 of schedule (b) of Item 6870-101-001 and $100,000 contained in Item 6870-001-001 of this act.	

Item Amount

16. Notwithstanding any other provision of law, the Chancellor of the California Community College System shall, in the 1986–87 fiscal year, make a permanent reduction to the base revenues per unit of average daily attendance of each community college district for savings resulting from a reduction to the employers' contribution for 1986–87 retirement benefits as adopted by the Board of Administration of the Public Employees' Retirement System. The total amount of this reduction shall equal $4,000,000 and each district's proportionate share shall be based upon 1985–86 employer contributions to the Public Employees' Retirement System.
17. Notwithstanding any other provision of law, the sum of $8,850,000 in schedule (a) for Equalization II shall be allocated for that purpose in a manner prescribed by the chancellor, subject to approval by the Director of Finance and 30 days notification to the Joint Legislative Budget Committee of the methods to be used for allocating these funds.
18. The amount appropriated in schedule (ex) shall be available for staff development in community colleges. The Chancellor's Office shall allocate these funds to districts on the basis of ADA and subject to the approval of the Department of Finance. In addition, funding for staff development shall be contingent upon review and approval by the Joint Legislative Budget Committee pursuant to Section 28.00.
19. The Legislature finds and declares that there shall be a moratorium on the implementation of the Los Angeles Community College District reform plan. Further, that no funds shall be allocated to the Los Angeles Community College District for declining enrollment unless the district submits a report to the Chancellor's Office on its district reform plan, including, but not limited to, an impact assessment on student access, student enrollment, faculty displacement, reassignment, terminations, and management and a description, in detail, of the plan for layoffs, reassignment, discontinued programs in divisions, departments, and student services offices, and other management actions.

Item	Amount

This study shall be submitted to the Chancellor's Office for its review to determine whether the proposed plan will cause a decline in student access. If the Chancellor's Office determines that there will be a decline in student access, the district will not be eligible for any declining enrollment funds pursuant to this item.

The Chancellor's Office shall certify to the Director of Finance and the Joint Legislative Budget Committee whether declining enrollment funds should be allocated to the Los Angeles Community College District.

6870-101-782—For local assistance, Board of Governors of the California Community Colleges, unscheduled, payable from the Higher Education Capital Outlay Bond Fund ... 35,000,000

Provisions:

1. The amount appropriated in this item is available on a one-time basis for the purpose of providing community college districts with funds to replace instructional equipment. The chancellor shall allocated these funds to the districts provided that any allocation would be subject to a 25 percent local match. The chancellor shall establish criteria for the waiver of the matching requirement for any district which, in his or her judgment, cannot provide matching funds without financial hardship. The chancellor shall consult with the Department of Finance, and prior to granting the initial waivers, shall obtain the approval of the Director of Finance on the criteria.

6870-101-814—For local assistance, Board of Governors of the California Community Colleges, for allocation by the State Controller in accordance with the provisions of Government Code Section 8880.5 as enacted by the voters in Proposition 37 at the November, 1984 General Election, payable from the California State Lottery Education Fund ... 50,300,000

Provisions:

1. All funds received pursuant to Proposition 37 that are allocable to community college districts pursuant to Section 8880.5 of the Government Code and that are in excess of the amount appropriated in this item, are hereby appropriated in augmentation of this item.

Item	Amount
6870-101-909—For local assistance, Board of Governors of the California Community Colleges Program 20.30.020—Instructional Improvement and Innovation, payable from the Community College Fund for Instructional Improvement	723,000
Provisions:	
1. Of the amount appropriated by this item, not more than $539,000 shall be allocated for grants and not more than $184,000 shall be allocated for loans.	
6870-111-001—For local assistance, Board of Governors of the California Community Colleges, for matriculation	21,000,000
Provisions:	
1. The amount appropriated in this item is available for assessment and counseling programs known as matriculation. This amount shall be allocated to districts based upon a plan developed by the Chancellor's office and approved by the Department of Finance. Funding for the Chancellor's Office Plan shall be contingent upon its review and approval by the Joint Legislative Budget Committee pursuant to Section 28.00.	
6870-301-146—For Capital Outlay, Board of Governors of the California Community Colleges, to be allocated, by the Board of Governors of the California Community Colleges to community college districts for expenditure by such districts, as set forth in the schedule below, payable from the Capital Outlay Fund for Public Higher Education	5,835,000
Schedule:	
Coast Community College District	
Orange Coast College	
(1.1) 40.11.301-Construct Childhood Education Training Center 325,000	
(2) 40.11.302-Equip, childhood education training center 45,000	
Contra Costa Community College District	
Diablo Valley College	
(3) 40.13.204-Construct Computer Math Lab Addition 433,000	
(3.1) 40.13.205-Equip, computer and math lab addition 245,000	

Item	Amount
Imperial Community College District	
Imperial Valley College	
(6.1) 40.21.010-Construct Nursing Education Center	2,073,000
(7) 40.21.102-Equip, nursing education center	122,000
Mendocino-Lake Community College District	
Mendocino College	
(12) 40.29.109-Equip, agriculture headhouse	77,000
Palo Verde Community College District	
Palo Verde College	
(13.1) 40.37.101-Construct Library and Learning Resource Center addition	255,000
(14) 40.37.102-Equip, library and learning resource center addition	47,000
Peralta Community College District	
College of Alameda	
(14.1) 40.40.102-Working drawing, construct and equip Energy Construction Conversion	25,000
(14.2) 40.40.203-Working drawings, construct and equip Energy Conservation Conversion Phase II	143,000
(14.3) 40.40.203-Construct library and audio visual addition	535,000
Feather River College	
(15) 40.40.205-Equip, library and audio visual addition	106,000
Merritt College	
(15.1) 40.40.402-Working drawings, construct and equip Energy Conservation, Phase II	374,000
Redwoods Community College District	
Mendocino Coast Education Center	
(16) 40.42.303-Equip, permanent buildings, Phase I	180,000
Saddleback Community College District	
Irvine Valley College	
(18) 40.45.105-Equip, building "A", cluster II	355,000
Community Colleges Statewide	
(23) 40.72.060-Minor Capital Outlay, asbestos removal, Phase II	427,000
Los Angeles Community College District	

Item		Amount
Los Angeles City College		
(24) 40.76.203-Working drawings, chemistry building, safety corrections	68,000	
Provisions:		
1. Notwithstanding the provisions of Section 2.00 of this act, the appropriations made for equipment items only shall be available for expenditure only during the 1986–87 and 1987–88 fiscal years.		
2. Each district's required matching share of funding for projects included in this item shall be determined in accordance with provisions of Sections 81831 and 81838 of the Education Code. This provision shall also apply to category (23) of this schedule.		
6870-301-782—For Capital Outlay, Board of Governors of the California Community Colleges, to be allocated, by the Board of Governors of the California Community Colleges to community college districts, for expenditure by these districts, as set forth in the schedule below, payable from the Higher Education Capital Outlay Bond Fund		41,681,000
Schedule:		
Coachella Community College District		
Copper Mountain Center		
(1) 40.10.202-Construction, Vocational education building	1,395,000	
Fremont-Newark Community College District		
Ohlone College		
(2) 40.16.102-Working drawings and construction remove architectural barriers	429,000	
Glendale Community College District		
Glendale College		
(3) 40.18.102-Construction, faculty offices, student services, and classrooms	3,455,000	
Grossmont Community College District		
Cuyamaca College		
(4) 40.19.103-Construction multipurpose office and library building	3,448,000	
Kern Community College District		
Cerro Coso College		
(5) 40.22.204-Construction and equip remodel library counseling center and student services	893,000	
Lake Tahoe Community College District		

Item	Amount
Lake Tahoe College	
(6) 40.23.104-Equip initial complement of library books	297,000
Long Beach Community College District	
Long Beach City College	
(7) 40.24.103-Construction and equip upgrade campus	375,000
(8) 40.24.104-Construction education support service center	1,121,000
Mendocino-Lake Community College District	
Mendocino College	
(9) 40.29.105-Equip vocational tech. building	343,000
Mira Costa Community College District	
San Dieguito Center	
(10) 40.31.203-Construction, permanent buildings, Phase I	4,720,000
Peralta Community College District	
College of Alameda	
(11) 40.40.104-Construction, diesel laboratory building	2,142,000
Saddleback Community College District	
Irvine Valley College	
(12) 40.45.103-Construction, Building B, Cluster II	3,076,000
(13) 40.45.106-Acquire parcel number 4	1,092,000
San Bernardino Community College District	
Crafton Hills College	
(14) 40.46.102-Construction remove architectural barriers	109,000
Santa Barbara Community College District	
Santa Barbara City College	
(15) 40.53.103-Construction, learning resource center	5,308,000
Yosemite Community College District	
Modesto Junior College	
(16) 40.70.203-Working drawings, construction, remove architectural barriers	158,000
Community Colleges Statewide	
(17) 40.72.060-Minor Capital Outlay, asbestos removal, Phase II	3,840,000
Los Angeles Community College District	
Los Angeles City College	
(18) 40.76.203-Construction chemistry building safety corrections	530,000

Item Amount

Los Angeles Mission College
(19) 40.76.404-Construct instruction and administration building 8,950,000

Provisions:

1. Notwithstanding the provisions of Section 2.00 of this act, the appropriations made for equipment items only shall be available for expenditure only during the 1986–87 and 1987–88 fiscal years.
2. Each district's required matching share of funding for projects included in this item shall be determined in accordance with provisions of Sections 81838 and 81838(c) of the Education Code, except that "excluded funds" defined in Section 81838(c) shall be interpreted as district funds exclusively and shall also include moneys designated as district matching funds for projects included in prior Budget Acts and moneys designated for 100 percent district funded projects approved by the chancellor's office prior to July 1, 1983, for which no qualification regarding future eligibility for state funds was given. This provision shall also apply to category (17) of this schedule.
3. The moneys appropriated by this item from the Higher Education Capital Outlay Bond Fund are for construction, renovation, or replacement of higher education facilities. These funds represent a bond appropriation contingent upon (1) voter approval of the bond measure and (2) available revenues derived from the sale of these bonds or these loan proceeds as may be authorized by the bond act.

6870-490—Reappropriation, Board of Governors of the California Community Colleges. Notwithstanding any other provision of law, the unencumbered balances, as of June 30, 1986, of the appropriations made in Schedule (g) of Item 6870-101-001 and in Provision 1 of Item 6870-101-146 of the Budget Act of 1985, are hereby reappropriated for deferred maintenance and special repair projects, authorized pursuant to provisions of Section 84660 of the Education Code, and shall be available for encumbrance until June 30, 1987.

Item Amount

6870-491—Reappropriation, Board of Governors of the California Community Colleges. Notwithstanding any other provision of law, an amount not to exceed $218,000 of the unencumbered balance, as of June 30, 1986, of the appropriation made in Item 6870-001-001 of the Budget Act of 1985 is hereby reappropriated for acquisition and installation of office automation equipment, and shall be available for encumbrance until June 30, 1987. Before any expenditures are made relating to this acquisition, the Chancellor's Office shall have Department of Finance approval of a Feasibility Study Report which clearly outlines the proposed benefits and resultant savings of this acquisition.

6870-492—Reappropriation, Board of Governors of the California Community Colleges. Notwithstanding any other provision of law, the unencumbered balance of the appropriation provided in the following citation is reappropriated on the effective date of this act for the purposes provided for in that appropriation, and shall be available for expenditure until June 30, 1987:

146—Capital Outlay Fund for Public Higher Education

(1) Statewide
Item 6820.301.146(37), Budget Act of 1985; Minor Capital Outlay, Asbestos Removal.

6870-495—Reversions, Board of Governors of the California Community Colleges. As of June 30, 1986, the undisbursed balance of the appropriation provided in the following citations shall revert to the unappropriated surplus of the fund from which the appropriation was made.

146—Capital Outlay for Public Higher Education.

1. Item 6870-301-146, Budget Act of 1984;
   (35) Permanent facilities, W. Los Angeles College (Airport Campus)
2. Item 6870-301-146, Budget Act of 1985;
   (3) Childhood Education Center, Orange Coast College
   (5) Computer/Math Lab. Diablo Valley Col
   (11) Perm. Facility Equip. Phase IB, W. Los Angeles College (Airport)
   (17) Library and Learning Center, Palo Verde College
   (19) Energy Conservation, College of Alameda.

Item		Amount
(21) Energy Conservation, Feather River College		
(22) Library and Audio-Visual Addition, Feather River College		
(23) Energy Conservation, Phase II; Merritt College		
(48) Nursing Education Center, Imperial College		
7980-001-001—For support of the Student Aid Commission		6,425,000
Schedule:		
(a) 100000-Personal Services	7,218,000	
(b) 300000-Operating Expenses and Equipment	17,812,000	
(c) Reimbursements	−194,000	
(d) Amount payable from the State Guaranteed Loan Reserve Fund (Item 7980-001-951)	−18,411,000	
7980-001-951—For support of the Student Aid Commission, for transfer to Item 7980-001-001, payable from the State Guaranteed Loan Reserve Fund		18,411,000
Provisions:		
1. The funds appropriated in this item are for the following:		
(a) State Guaranteed Student Loan Program	79,000	
(b) State Guaranteed Student Loan Program, for purposes of Chapter 1201, Statutes of 1977	18,257,000	
(c) State Guaranteed Student Loan Program, for purposes of conducting the student indebtedness study in accordance with Assembly Concurrent Resolution No. 133 of the 1985–86 Regular Session	75,000	
2. Notwithstanding the provisions of Item 9840-001-988, the Director of Finance may authorize deficiencies pursuant to Section 11006 of the Government Code from funds appropriated from the State Guaranteed Loan Reserve Fund pursuant to Section 69766 of the Education Code.		

Item Amount

3. Of the funds appropriated above for the purpose of subdivision (b) of Provision 1, an amount not to exceed $50,000 shall be available to advance to the State Guaranteed Student Loan Processing Contractor subject to return in accordance with terms of the service contract. The funds advanced shall be used exclusively for payment to the State Guaranteed Student Loan Processing Contractor for (1) refund of student loan insurance premiums due lenders on canceled loans, (2) refund of student borrower overpayments, (3) refund of collections made in error, (4) purchase of returned borrower checks, and (5) collection service fees.

7980-011-890—To the Student Aid Commission, Program 50, for transfer to the State Guaranteed Loan Reserve Fund, payable from the Federal Trust Fund 184,737,000

Provisions:

1. Any federal funds received by the Student Aid Commission in excess of the amount set forth in this item shall be transferred to the State Guaranteed Loan Reserve Fund in a manner prescribed by the Department of Finance.

7980-011-951—To the Student Aid Commission, Program 50, for purchase of defaulted student loans, payable from the State Guaranteed Loan Reserve Fund 206,879,000

Provisions:

1. Notwithstanding the provisions of Item 9840-001-988 the Director of Finance may authorize the creation of deficiencies pursuant to Section 11006 of the Government Code, for the purposes of this item.
2. No authorization may become effective sooner than 10 days after notification in writing to the Joint Legislative Budget Committee.

7980-021-951—There is hereby appropriated from the State Guaranteed Loan Reserve Fund to the Student Aid Commission for purposes of Chapter 1201, Statutes of 1977 a sum necessary to make payments to the federal Secretary of Education and to the State Guaranteed Student Loan Processing Contractor in compliance with the regulations of the Federal Guaranteed Student Loan Program and the California Educational Loan Program which require (1) payment to the federal Secretary of

Item Amount

Education for the federal share of (a) collection recoveries and (b) refund of reinsurance payment on loans repurchased by lenders; and (2) payment to the State Guaranteed Student Loan Processing Contractor for (a) refund of student loan insurance premiums due lenders on canceled loans, (b) refund of student borrower overpayments, (c) re fund of collections made in error, (d) purchase of returned borrower checks, and (e) collection service fees.

7980-101-001—For local assistance, Student Aid Commission 113,175,000

Schedule:

(a) Scholarships (Cal Grant (a))	79,504,000
(b) College Opportunity Grants (Cal Grant (b))	35,589,000
(c) Occupational Education and Training Grants (Cal Grant (c))	3,514,000
(d) Fellowships for Graduate Study ..	3,045,000
(e) Dependents of Deceased or Disabled Peace Officers Grants	14,000
(f) Bilingual Teacher Grants	2,547,000
(g) California Student Opportunity and Access Program	522,000
(h) California Teacher Shortage Loan Assumption Program	110,000
(i) Amount payable from the Federal Trust Fund (Item 7980-101-890) ..	−11,670,000

Provisions:

1. Funds appropriated in categories (a) through (c) are for awards in the Cal Grant Program under provisions of Article 3 (commencing with Section 69530), of Chapter 2 of Part 42 of Division 5 of Title 3 of the Education Code, Student Aid Commission.
2. The funds appropriated in categories (d) through (f) are for grant awards and graduate fellowship awards under provisions of Article 2 (commencing with Section 52150) of Chapter 7 of Part 28 of the Education Code and under provisions of Article 9 (commencing with Section 69670) of Chapter 2 of Part 42 of Division 5 of Title 3 of the Education Code, and under provisions of Article 16 (commencing with Section 69900) of Chapter 2 of Part 42 of the Education Code, and for scholarship awards under provisions of Section 4709 of the Labor Code,

Item	Amount

Student Aid Commission.

3. The amount appropriated in Schedule (g) is for continued support of six CAL-SOAP contract agreements plus the funding of one pilot project in San Diego.
4. The amount appropriated in Schedule (h) is for the purchase of Teacher Shortage Loan Assumptions pursuant to the provisions of Chapter 498, Statutes of 1983.
5. Notwithstanding any other provision of law, of the 17,400 new grants funded in schedule (a) for the 1986–87 fiscal year; 500 shall be granted only to community college students who transfer to a four-year college or university.
6. Notwithstanding any other provision of law, of the amount appropriated in Schedule (b), $1,470,000 is for 1,000 additional new awards for the 1986–87 fiscal year. Of the 9,250 new grants funded in schedule (b) for the 1986–87 fiscal year, 250 shall be granted only to Community College students who transfer to a four-year college or university.
7. Upon order of the Director of Finance, the State Controller shall transfer funds as necessary among categories (a) through (f) to accommodate program changes, not sooner than 30 days after written notification by the Director of Finance of the necessity therefor to the Joint Legislative Budget Committee, or not sooner than whatever lesser time the committee, or its designee, may in each instance determine.
8. If federal trust funds for the 1986–87 fiscal year exceed budgeted levels, the funds appropriated shall, to the extent allowable by federal law, be reduced on a dollar-per-dollar basis.
9. Eligibility for money appropriated by this item is limited to students who demonstrate financial need according to nationally accepted needs analysis methodologies, who meet other Student Aid Commission eligibility criteria, and whose income or family's gross income does not exceed $48,000 for the purposes of determining recipients for the 1986–87 award year.
10. The Student Aid Commission shall grant only renewal awards under the Bilingual Teacher program in 1986–87. No new lower division awards under this program shall be offered.

Item		Amount
7980-101-890—For local assistance, Student Aid Commission, for transfer to Item 7980-101-001, payable from the Federal Trust Fund		11,670,000
7980-490—Reappropriation, Student Aid Commission. Notwithstanding any other provision of law, the unencumbered balance of category (h) of Item 7980-101-001 of the Budget Act of 1985 is hereby reappropriated for the same purpose and shall be available for encumbrance until June 30, 1987.		
8100-001-001—For support of the Office of Criminal Justice Planning		4,583,000
Schedule:		
(a) 20.01-Administration	2,620,000	
(b) 20.02-Distributed Administration	−2,620,000	
(c) 50-Local Project Awards	6,776,000	
(d) Amount payable from Local Public Prosecutors and Public Defenders Training Fund (Item 8100-001-241)	−81,000	
(e) Amount payable from Victim Witness Assistance Fund (Item 8100-001-425)	−1,498,000	
(f) Amount payable from the Federal Trust Fund (Item 8100-001-890)	−384,000	
(g) Reimbursements	−230,000	
Provisions:		
1. Funds scheduled for the Gang Violence Suppression program shall be available for expenditure only if the Office of Criminal Justice Planning makes available federal matching dollars such that the total program expenditure is 25 percent federal funds and 75 percent state funds.		
2. Notwithstanding any other provision of law restricting the costs of administering the Adult Sex Offender Treatment program, the administrative costs for this program may be adjusted for any allocations made by the Department of Finance for employee compensation and price increases.		
8100-001-241—For support of the Office of Criminal Justice Planning, for transfer to Item 8100-001-001, payable from the Local Public Prosecutors and Public Defenders Training Fund		81,000

Item		Amount
Provisions:		
1. Notwithstanding any other provisions of law restricting the costs of administering individual programs, administrative costs may be adjusted for any allocations made by the Department of Finance for employee compensation and price increases.		
8100-001-425—For support of the Office of Criminal Justice Planning, for transfer to Item 8100-001-001, payable from the Victim/Witness Assistance Fund		1,498,000
8100-001-890—For support of the Office of Criminal Justice Planning, for transfer to Item 8100-001-001, payable from the Federal Trust Fund		384,000
8100-011-890—For support of the Office of Criminal Justice Planning, Program 40, State and Private Agency Awards, payable from the Federal Trust Fund		1,500,000
8100-101-001—For local assistance, Program 50, Local Project Awards, Office of Criminal Justice Planning		23,387,000
Schedule:		
(a) 50.21.040-Domestic Violence Program	1,500,000	
(b) 50.21.050-Victims Legal Resources Center	90,000	
(c) 50.31.010-California Community Crime Resistance Program, to be allocated pursuant to Chapter 5 (commencing with Section 13840) of Title 6 of Part 4 of the Penal Code	962,000	
(d) 50.31.060-Family Violence Prevention	202,000	
(e) 50.41.020-Suppression of Drug Abuse in Schools Program	1,929,000	
(f) 50.41.030-California Gang Violence Suppression Program	3,515,000	
(g) 50.41.040-Homeless Youth Pilot Project	230,000	
(gg) 50.41.050-National Center for Hyperactive Children	100,000	
(h) 50.51.010-California Career Criminal Prosecution Program, to be allocated pursuant to Chapter 2.3 (commencing with Section 999b) of Title 6 of Part 2 of the Penal Code	4,153,000	

Item	Amount
(i) 50.51.020-Major Narcotic Vendors Prosecution Program	1,598,000
(j) 50.51.030-Child Sexual Assault Prosecution Program	1,358,000
(k) 50.61.020-Child Sexual Abuse Prevention and Training	1,392,000
(*l*) 50.71.010-California Career Criminal Apprehension Program	2,404,000
(m) 50.71.020-Child Sex Offender Treatment	450,000
(mm) 50.71.055-Campaign Against Marijuana Planting	2,750,000
(n) 50.71.060-Vertical Defense	721,000
(o) 50.71.080-Juvenile Sex Offender Treatment	225,000
(p) Reimbursements	−192,000

Provisions:

1. The amount appropriated in Schedule (a) shall only be awarded to local governmental entities which provide a minimum 10 percent local cash match for the state General Fund amount allocated.
2. Funds scheduled for the Gang Violence Suppression Program shall be available for expenditure only if the Office of Criminal Justice Planning makes available federal matching dollars such that the total program expenditure is 25 percent federal funds and 75 percent state funds.
3. Notwithstanding any other provisions of law, the State Office of Criminal Justice Planning may provide up to two months advance payment of grants funds awarded to community-based, nonprofit organizations and counties which have demonstrated cash flow problems according to the criteria set forth by the Office.
4. The amount appropriated in Schedule (mm) is for local assistance to Humboldt, Mendocino, Trinity, and Butte Counties for costs associated with marijuana production and eradication. The funds are to be allocated to the counties, as follows: (a) For the counties: Humboldt County—$425,000; Mendocino County—$425,000; Trinity County—$150,000; and Butte County—$250,000. (b) For the sheriff's department in the counties: Humboldt County—$500,000; Mendocino County—$500,000; Trinity County—$250,000; and

Item	Amount
Butte County—$250,000. The counties shall file claims for payment of these allocations directly with the State Controller.	
5. Of the amount in Schedule (k), $500,000 is for allocation to the International Center for the Extended Family. None of these funds may be expended sooner than 30 days after notification in writing by the Director of Finance of the receipt thereof, including a program expenditure plan, to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may in each instance determine.	
8100-101-014—For local assistance, Office of Criminal Justice Planning, Program 50.61.030—Local Toxics Enforcement and Training Program, payable from the Hazardous Waste Control Account, General Fund	1,150,000
Provisions:	
1. Of the amount appropriated in this item, $400,000 shall be for a contract with the California District Attorney's Association for the purpose of training district attorneys and investigative personnel on toxics enforcement matters.	
2. Of the amount appropriated in this item, $750,000 shall be for the purpose of funding five toxics enforcement pilot programs in different counties.	
8100-101-241—For local assistance, Office of Criminal Justice Planning, Program 50-Prosecutor and Public Defender Legal Training, payable from the Local Public Prosecutors and Public Defenders Training Fund	694,000
Provisions:	
1. This item is in lieu of the appropriation made by Penal Code Section 11503.	
2. Notwithstanding any other provisions of law, the State Office of Criminal Justice Planning may provide up to two months advance payment of grants funds awarded to community-based, nonprofit organizations and counties which have demonstrated cash flow problems according to the criteria set forth by the Office.	

Item		Amount
8100-101-425—For local assistance, Program 50, Office of Criminal Justice Planning, payable from the Victim/Witness Assistance Fund		11,937,000
Schedule:		
(a) 50.21.010-Victim Witness Assistance Program	8,590,000	
(b) 50.21.020-Rape Crisis Program	3,092,000	
(c) 50.21.030-Child Sexual Abuse and Exploitation Program	255,000	
Provision:		
1. Notwithstanding any other provisions of law, the State Office of Criminal Justice Planning may provide up to two months advance payment of grants funds awarded to community-based, nonprofit organizations and counties which have demonstrated cash flow problems according to the criteria set forth by the Office.		
2. Of the $217,000 augmentation appropriated in schedule (b), none of these funds shall be used to support the four rape crisis centers that are scheduled to receive extraordinary grants in the 1986–87 fiscal year.		
8100-101-890—For local assistance, Office of Criminal Justice Planning, payable from the Federal Trust Fund		13,066,000
Schedule:		
(a) 50.21.060-Victims of Crime Act (VOCA)	3,953,000	
(b) 50.31.030-Federal Rape Prevention	380,000	
(c) 50.41.010-Juvenile Justice and Delinquency Prevention	3,490,000	
(d) 50.41.030-Gang Violence Suppression	510,000	
(e) 50.71.100-Justice Assistance Act	4,733,000	
Provision:		
1. Notwithstanding any other provisions of law, the State Office of Criminal Justice Planning may provide up to two months advance payment of grants funds awarded to community-based, nonprofit organizations and counties which have demonstrated cash flow problems according to the criteria set forth by the Office.		
8120-001-268—For support of Commission on Peace Officer Standards and Training, payable from the Peace Officers' Training Fund		6,849,000

Item		Amount
Schedule:		
(a) 10-Standards	2,916,000	
(b) 20-Training	5,582,000	
(c) 30-Peace Officer Training Reimbursement	271,000	
(d) 40.01-Administration	3,269,000	
(e) 40.02-Distributed Administration..	−3,281,000	
(f) Amount payable from the Peace Officers' Training Fund (Item 8120-011-268)	−1,908,000	

Provision:

1. Expenditure of $538,000 for the lease-purchase of a management information system is contingent upon the written approval of the feasibility study report by the Office of Information Technology.

8120-011-268—For support of Commission on Peace Officer Standards and Training, for transfer to Item 8120-001-268, payable from the Peace Officers' Training Fund 1,908,000

Provisions:

1. Funds are to be used for contractual services in support of local training programs, pursuant to Section 13503(c) of the Penal Code.
2. Funds may be transferred between this item and Item 8120-101-268 in order to meet the needs of local training programs.

8120-101-268—For local assistance, Commission on Peace Officer Standards and Training, Program 30, for allocation to cities, counties and cities and counties, pursuant to Section 13523 of the Penal Code, payable from the Peace Officers' Training Fund.. 26,159,000

Provisions:

1. Funds may be transferred between this item and Item 8120-011-268 in order to meet the needs of local training programs.
2. The Director of Finance may authorize the augmentation of the total amount available for expenditure under this item in the amount of revenue received by the Peace Officers' Training Fund which is in addition to the revenue appropriated by this item, not sooner than 30 days after notification in writing to the chairpersons of the respective fiscal committees and the Chairperson of the Joint Legislative Budget Committee. The director may authorize these augmentations only up to the amount needed to

Item	Amount
reach the goal of providing 100 percent salary reimbursement to the cities and counties.	
8120-490—Reappropriation, Commission on Peace Officer Standards and Training. On the effective date of this act, notwithstanding any other provisions of law, the specified amounts of the appropriations provided in the following citations, are reappropriated for the purposes provided for in such appropriations, and shall be available for expenditure until June 30, 1987:	
268—Peace Officers' Training Fund	
(1) Item 8120-001-268, Budget Act of 1985, $33,000 for the completion of the peace officers' killing study.	
(2) Item 8120-001-268, Budget Act of 1985, $557,000 for a contract to develop the Firearms Training Simulation System.	
8140-001-001—For support of State Public Defender....	6,637,000
Schedule:	
(a) 10-State Public Defender 6,763,000	
(b) Reimbursements ..... —126,000	
8160-111-001—For local assistance, Assistance to Counties for Defense of Indigents, Program 20, pursuant to Section 987.9 of the Penal Code, for payment by the State Controller	5,000,000
Provisions:	
1. Costs for prior years may be paid from this item; and provided further, that expenditures made under this item shall be charged to the fiscal year in which the claim is received by the State Controller.	
2. Payments made pursuant to this item shall be made in accordance with regulations adopted pursuant to Provision 2 of Item 8160-111-001, of the 1983 Budget Act (Chapter 324 of the Statutes of 1983), concerning compensation of attorneys, investigators, expert witnesses, and other expenses.	
8180-101-001—For local assistance, Payment to Counties for Costs of Homicide Trials, for payment by the State Controller	2,106,000

Item Amount

Provisions:

1. This item is for payment to counties for cost of homicide trials pursuant to Sections 15201 to 15203, inclusive, of the Government Code, provided, that expenditures made under this item shall be charged to the fiscal year in which the warrant is issued by the State Controller.
2. The Controller shall reimburse counties for reasonable and necessary expenses incurred pursuant to Section 15202 of the Government Code, except that reimbursements to a county shall not exceed: (a) for attorney services, an hourly rate equal to that county's average hourly cost for public defenders, the hourly rate paid to appointed counsel, or the hourly rate charged state agencies by the Attorney General for attorney services, whichever rate is less; (b) for investigators, an hourly rate equal to that county's average hourly cost for county-employed investigators, or the hourly rate charged state agencies by the Attorney General for investigators, whichever rate is less; (c) for expert witnesses, the hourly rate that the county generally pays for these services.

8190-001-001—For the payment of tort liability claims, settlements, compromises and judgments against the state, its officers, servants and employees of state agencies, departments, boards, bureaus or commissions supported from the General Fund, for expenditure by the Department of Justice, subject to approval of the Department of Finance in its discretion 900,000

Provisions:

1. There is hereby appropriated from each fund, other than the General Fund, an amount sufficient for payment of tort liability claims, settlements, compromises and judgments against the state, its officers, servants and employees of state agencies, departments, boards, bureaus or commissions, arising from activities supported from such fund; provided, that no expenditure from any such appropriation from a fund other than the General Fund for payment of tort liability claims, settlements, compromises and judgments shall be made unless approved by the Department of Finance in its discretion.

Item		Amount
2. Expenditures made under this item shall be charged to the fiscal year in which the warrant is issued by the State Controller.		
8200-001-001—For support of Commission for Economic Development		561,000
Schedule:		
(a) 10-Commission for Economic Development	564,000	
(b) Reimbursements	−3,000	
8260-001-001—For support of California Arts Council		2,589,000
Schedule:		
(a) 10-Artists in Residence	588,000	
(b) 20-Organizational Grants	903,000	
(c) 25-Performing Arts Touring/Presenting Program	367,000	
(d) 40-Statewide Projects	807,000	
(e) 50.01-Administration	1,458,000	
(f) 50.02-Distributed Administration	−1,458,000	
(g) Amount payable from the Federal Trust Fund (Item 8260-001-890)	−76,000	
8260-001-890—For support of the California Arts Council, for transfer to Item 8260-001-001, payable from the Federal Trust Fund		76,000
8260-101-001—For local assistance, California Arts Council for grants and subventions		10,335,000
Schedule:		
(a) 10-Artists in Residence	1,442,300	
(b) 20-Organizational Grants	6,474,700	
(c) 25-Performing Arts Touring/Presenting Program	668,000	
(d) 40-Statewide Projects	1,750,000	
Provisions:		
1. Funds appropriated for the local organization development, and support to prominent organizations program elements, shall not be expended unless the grant recipient provides a dollar-for-dollar cash match; provided that for grants to individual artists, no matching funds shall be required.		
2. Of the amount appropriated for Program 20.40 (Support to Prominent Organizations), up to $250,000 shall be available for expenditure on Program 20.70 (Multi-Cultural Arts Development) on a dollar-for-dollar basis if funds for Program 20.70 (Multi-Cultural Arts Development) are reduced by executive action.		

Item		Amount
8260-101-890—For local assistance, California Arts Council, payable from the Federal Trust Fund		861,000
Schedule:		
(a) 10-Artists in Residence	279,700	
(b) 20-Organizational Grants	384,300	
(c) 25-Performing Arts Touring/Presenting Program	197,000	
Provisions:		
1. Any organization applying for a grant under the support to prominent organizations element of the organizational grants program may not receive a grant under the artistic and administrative development element of the organizational grants program.		
2. Any organization applying for a grant under the artistic and administrative development element of the organizational grants program may not receive a grant under the support to prominent organizations element of the organizational grants program.		
3. Funds appropriated for the artistic and administrative development and support to prominent organizations program elements shall not be expended unless the grant recipient provides a dollar-for-dollar cash match; provided, that for grants to individual artists no matching funds shall be required.		
8280-001-001—For support of Native American Heritage Commission		286,000
Schedule:		
(a) 10-Native American Heritage Commission	316,000	
(b) Reimbursements	−30,000	
8290-001-001—For support of the California Public Broadcasting Commission		3,500,000
Provisions:		
1. Of the amount appropriated by this item, $160,000 shall be allocated to the Federation of Minority Broadcasters.		
8300-001-001—For support of Agricultural Labor Relations Board		7,980,000
Schedule:		
(a) 10-Board Administration	3,789,000	
(b) 20-General Counsel Administration	4,191,000	
(c) 30.01-Administrative Services	747,000	

Item		Amount
(d) 30.02-Distributed Administrative Services	−747,000	
Provisions:		
1. None of the funds in this item shall be available for expenditure by the Board or the General Counsel for the purpose of unilaterally settling unfair labor practice charges, complaints, or Board decisions before or after judicial review, over the charging parties' objections.		
8320-001-001—For support of Public Employment Relations Board		6,180,000
Schedule:		
(a) 10-Dispute Resolution	4,966,000	
(b) 20-Representation	1,214,000	
(c) 30.01-Administration	1,367,000	
(d) 30.02-Distributed Administration	−1,367,000	
8350-001-001—For support of Department of Industrial Relations		106,153,000
Schedule:		
(a) 10-Regulation of Workers' Compensation Self-Insurance Plans	1,706,000	
(b) 20-Conciliation of Employer-Employee Disputes	1,910,000	
(c) 30-Preventing, Settling, Adjudicating and Administrating Disputes under Workers' Compensation Laws	47,316,000	
(d) 40-The Prevention of Industrial Injuries and Deaths of California Workers	43,527,000	
(e) 50-Enforcement and Promulgation of Laws Relating to Wages, Hours, and Conditions of Employment, and Licensing and Adjudication	21,895,000	
(f) 60-Promotion, Development and Administration of Apprenticeship and other on-the-job training	5,302,000	
(g) 70-Labor Force Research and Data Dissemination	3,114,000	
(h) 80.20.001-Payment of claims, wages, and contingencies for transfer to the Uninsured Employers Fund	8,639,000	
(i) 80.20.002-Employees' Account Uninsured Employers Fund	9,507,000	
(j) 94.01-Administration	12,281,000	

Item		Amount
(k)	94.02-Distributed Administration	−11,389,000
(l)	Reimbursements	−2,050,000
(m)	Amount payable from the Farm Labor Contractor's Special Account (Item 8350-001-023)	−50,000
(o)	Amount payable from the Industrial Relations Construction Industry Enforcement Fund (Item 8350-001-216)	−630,000
(p)	Amount payable from the Self-Insurance Plans Fund (Item 8350-001-396)	−1,444,000
(q)	Amount payable from the Elevator Safety Inspection Account, General Fund (Item 8350-001-452)	−2,514,000
(r)	Amount payable from the Pressure Vessel Inspection Account, General Fund (Item 8350-001-453)	−2,935,000
(s)	Amount payable from the Employee's Account, Uninsured Employer's Fund (Item 8350-001-571)	−9,701,000
(t)	Amount payable from the Asbestos Workers Account, Uninsured Employer's Fund (Item 8350-001-572)	−317,000
(u)	Amount payable from the Federal Trust Fund (Item 8350-001-890)	−17,864,000
(v)	Amount payable from the Asbestos Abatement Account (Item 8350-001-973)	−150,000

Provisions:

1. Of the funds appropriated for support of Schedule (d), $150,000 transferred from Item 8350-001-973 shall be encumbered for (a) routine compliance activities of the Cal-OSHA field enforcement program related to school site asbestos abatement projects and (b) monitoring and compliance inspections covering a 10 percent random sample of school asbestos abatement projects.
2. Of the funds appropriated in Schedule (d) for support of Cal-OSHA field enforcement activities, $745,000 shall be encumbered as follows:
   (a) $298,000 shall be for the support of six industrial hygienists to augment basic occupational health enforcement inspections in order to provide sufficient staffing statewide to accomplish all mandatory health

Item	Amount
enforcement inspection activities; (b) $199,000 shall be for support of discretionary occupational health enforcement inspections in northern (two industrial hygienists) and southern (two industrial hygienists) California; and (c) $248,000 shall be for the support of five safety engineers to enhance discretionary safety enforcement inspections in southern California.	
8350-001-023—For support of Department of Industrial Relations, for transfer to Item 8350-001-001, payable from the Farm Labor Contractor's Special Account	50,000
8350-001-216—For support of Department of Industrial Relations, for transfer to Item 8350-001-001, payable from the Industrial Relations Construction Industry Enforcement Fund	630,000
8350-001-396—For support of Department of Industrial Relations, for transfer to Item 8350-001-001, payable from the Self-Insurance Plans Fund	1,444,000
8350-001-452—For support of Department of Industrial Relations, for transfer to Item 8350-001-001, payable from the Elevator Safety Inspection Account, General Fund	2,514,000
8350-001-453—For support of Department of Industrial Relations, for transfer to Item 8350-001-001, payable from the Pressure Vessel Inspection Account, General Fund	2,935,000
8350-001-571—For support of Department of Industrial Relations, for transfer to Item 8350-001-001, payable from the Employee's Account, Uninsured Employer's Fund	9,701,000
8350-001-572—For support of Department of Industrial Relations, for transfer to Item 8350-001-001, payable from the Asbestos Workers Account, Uninsured Employer's Fund	317,000
8350-001-890—For support of Department of Industrial Relations, for transfer to Item 8350-001-001, payable from the Federal Trust Fund	17,864,000
8350-001-973—For support of Industrial Relations, for transfer to Item 8350-001-001, payable from the Asbestos Abatement Fund	150,000
8350-301-036—For capital outlay, Department of Industrial Relations, payable from the Special Account for Capital Outlay	29,000

Item		Amount
Schedule:		
(1) 91.05.301.000—San Francisco—Computer Room Air Conditioning Up-grade/Firewall—Preliminary Plans	16,000	
(2) 91.10.301.000—Minor Projects	13,000	
8350-301-890—For minor capital outlay (91.10.301), Department of Industrial Relations, payable from the Federal Trust Fund		13,000
8380-001-001—For support of the Department of Personnel Administration		7,473,000
Schedule:		
(a) 100000-Personal Services	7,493,000	
(b) 300000-Operating Expenses and Equipment	2,127,000	
(c) Reparation payments	373,000	
(d) Reimbursements	−1,933,000	
(e) Amount payable from the Deferred Compensation Plan Fund (Item 8380-001-915)	−587,000	
Provisions:		
1. $373,000 of the funds appropriated for category (c) are for reparation of salary losses during 1942–47 by persons dismissed from State Civil Service as a result of Chapter 49, Statutes of California, passed at the First Extra Session of the Fifty-Fourth Legislature, 1941–1942 (SCR 15).		
8380-001-915—For support of the Department of Personnel Administration, for transfer to Item 8380-001-001, payable from the Deferred Compensation Plan Fund		587,000
8450-001-001—For support of Workers' Compensation Benefit Program, for payment of the additional compensation for subsequent injuries provided for by Sections 4750 through 4755 of the Labor Code		3,720,000
Schedule:		
(a) Payment of Claims	4,626,000	
(b) Support, State Compensation Insurance Fund	236,000	
(c) Pre-Litigation Expenses	250,000	
(d) Support, Department of Industrial Relations	608,000	
(e) Amount payable from Subsequent Injuries Moneys, General Fund (Item 8450-001-016)	−2,000,000	

Item Amount

Provisions:

1. This item shall not be construed as a limitation on expenditures provided by Item 8450-001-016.
2. The amount available from this item shall not be available for expenditure at any time that funds appropriated by Item 8450-001-016 are available for expenditure.
3. At the end of fiscal year 1986–87, any expenditures made from the General Fund against this appropriation item shall be reduced by any amounts remaining available from the funds appropriated by Item 8450-001-016.

8450-001-016—For payment of workers' compensation benefits for subsequent injuries, for transfer to Item 8450-001-001, payable from the account for Subsequent Injuries Moneys, General Fund 2,000,000

8460-101-001—For local assistance, Disaster Service Workers 523,000

Provisions:

1. This item is for furnishing of workers' compensation to disaster service workers and their dependents, in accordance with the provisions of Sections 3201 through 6002 of the Labor Code, including the reimbursing of the State Compensation Insurance Fund for the cost of services as adjusting agent, Governor's Office, Office of Emergency Services. The State Compensation Insurance Fund may draw from the State Treasury out of the appropriation made by this item, without at the time presenting vouchers and itemized statements, any portion of the appropriation contained in this item, to be used as a cash revolving fund. Expenditures made from the revolving fund in payment of claims for workers' compensation and adjusting services are excepted from the operation of Section 925.6 of the Government Code. Reimbursement of the revolving fund for such expenditures shall be made upon presentation to the State Controller of an abstract or statement of such expenditures. Such abstract or statement shall be in such form as the State Controller requires.

8500-001-152—For support of Board of Chiropractic Examiners, payable from the State Board of Chiropractic Examiners Fund 809,000

Item		Amount
Schedule:		
(a) 10-Board of Chiropractic Examiners	812,000	
(b) Reimbursements	−3,000	
8510-001-264—For support of Board of Osteopathic Examiners of the State of California, payable from the Board of Osteopathic Examiners Contingent Fund		351,000
Schedule:		
(a) Board of Osteopathic Examiners..	359,000	
(b) Reimbursements	−8,000	
8530-001-290—For support of Board of Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun, Program 10, payable from the Board of Pilot Commissioners' Special Fund		324,000
Provisions:		
1. Of the amount appropriated in this item, $180,000 is to be available for pilot training and may not be expended for any other purpose.		
2. Of the amount appropriated in this item, $10,000 is provided to meet one-time legal expenses.		
8540-001-114—For support of California Auctioneer Commission, Program 10, payable from the Auctioneer Commission Fund		182,000
8550-001-191—For support of California Horse Racing Board, payable from the Fair and Exposition Fund		2,131,000
Schedule:		
(a) 100000-Personal Services	1,508,000	
(b) 300000-Operating Expenses and Equipment	2,392,000	
(c) Reimbursements	−1,459,000	
(d) Amount payable from the Racetrack Security Account, Special Deposit Fund (Item 8550-001-942)	−310,000	
Provision:		
1. Of the amount appropriated by this item, the unexpended balance, if any, shall revert to the General Fund.		
8550-001-942—For support of the California Horse Racing Board, for transfer to Item 8550-001-191, payable from the Racetrack Security Account, Special Deposit Fund		310,000
8550-011-942—Notwithstanding Section 19641(b)(1) of the Business and Professions Code, there is hereby transferred to the General Fund the unencumbered balance of the Racetrack Security Account, Special Deposit Fund, as of June 30, 1986		(1,490,000)

Item		Amount
8560-001-510—For support of California Exposition and State Fair, provided that the expenditures from the appropriation made by this item shall not exceed those operating revenues deposited in the California Exposition and State Fair Enterprise Fund by the California Exposition and State Fair		9,316,000
Schedule:		
(a) 100000-Personal Services	4,967,000	
(b) 300000-Operating Expenses and Equipment	5,114,000	
(c) Reimbursements	−500,000	
(d) Amount payable from the Fair and Exposition Fund	−265,000	
Provisions:		
1. The amount appropriated by subdivision (a) of Section 19622 of the Business and Professions Code shall be transferred by the State Controller to this item.		
2. The Director of Finance may authorize the augmentation, up to 10 percent, of the total amount available for expenditure under this item in the amount of revenue received by the California Exposition and State Fair which is additional to the revenue appropriated by this item.		
8560-011-192—For support of California Exposition and State Fair, notwithstanding Section 19596.5 of the Business and Professions Code, for transfer to Item 8560-001-510, payable from the Fair and Exposition Fund Satellite Wagering Account		992,000
Provisions:		
1. Expenditures from the appropriation made by this item shall not exceed those satellite wagering revenues generated by the California Exposition and State Fair.		
2. The Director of Finance may authorize the augmentation of the total amount available for expenditure under this item in the amount of revenue generated by the California Exposition and State Fair pursuant to Section 19596.5 of the Business and Professions Code, which is in addition to the revenue appropriated by this item.		
8560-011-466—For support of California Exposition and State Fair, for transfer to Item 8360-001-510, payable from the State Fair Police Special Account		6,000

Item		Amount
8560-011-510—For the California Exposition and State Fair, for advance authority for the department to incur obligations for entertainment in an amount not to exceed $300,000 for the 1987 California State Fair, payable from the California Exposition and State Fair Enterprise Fund, and available for encumbrance only until June 30, 1988		(300,000)
8570-001-001—For support of Department of Food and Agriculture		68,439,000
Schedule:		
(a) 10-Pesticide Regulatory Program	22,705,000	
(b) 20-Plant Pest and Disease Prevention	26,910,000	
(bx) 20.20-Plant and disease prevention, containment, and eradication of plant pests and disease (gypsy moth and boll weevil)	1,095,000	
(c) 25-Animal Pest and Disease Prevention/Inspection Services	15,406,000	
(d) 30-Agricultural Marketing Services	4,311,000	
(e) 40-Food and Agricultural Standards and Inspection Services	2,399,000	
(f) 50-Measurement Standards	2,268,000	
(g) 60-Financial and Administrative assistance to local fairs	1,215,000	
(h) 70.01-Exec Mgmt. and Admin Svcs.	8,763,000	
(i) 70.02-Distributed Exec. Mgmt. and Admin. Svcs.	−8,676,000	
(j) 80-Gen. Agriculture Activities and Emergency Funding	7,461,000	
(k) Reimbursements	−894,000	
(*l*) Amount payable from the Agricultural Fund (Item 8570-001-111)	−10,034,000	
(m) Amount payable from the Fair and Exposition Fund (Item 8570-001-191)	−1,116,000	
(n) Amount payable from the Agriculture Building Fund (Item 8570-001-601)	−1,202,000	
(o) Amount payable from the Federal Trust Fund (Item 8570-001-890)	−1,971,000	
(p) Amount payable from the Agricultural Pest Control Research Account (Item 8570-011-112)	−111,000	

Item		Amount
(q) Amount payable from the Environmental License Plate Fund (Item 8570-001-140)		−90,000

Provisions:

1. Funds appropriated to Schedule (j) from Item 8570-001-111 are in lieu of the appropriation provided by subdivision (b) of Section 224 of the Food and Agricultural Code for emergency detection, eradication, or research of agricultural plant or animal pests or diseases. The Director of Food and Agriculture may expend the funds with the approval of the Director of Finance. The funds which are so appropriated are not subject to Section 6.50 of this act.
2. Funds scheduled for eradication projects in Schedule (bx), shall be available only upon allocation by the Director of Finance. The Director of Finance shall notify the chairpersons of the fiscal committees and the Joint Legislative Budget Committee whenever these funds are allocated.
3. In the event that the department expends funds in the current year for baculovirus research, the department shall make every effort to secure a portion of the funding for 1987–88 baculovirus research costs from the industry or entity that benefits from such research.

8570-001-111—For support of Department of Food and Agriculture, for transfer to Item 8570-001-001, payable from the Agricultural Fund	10,034,000
8570-001-140—For support of Department of Food and Agriculture, for transfer to Item 8570-001-001, payable from the Environmental License Plate Fund	90,000
8570-001-191—For support of Department of Food and Agriculture, for transfer to Item 8570-001-001, payable from the Fair and Exposition Fund	1,116,000
8570-001-601—For support of Department of Food and Agriculture, for transfer to Item 8570-001-001, payable from the Agriculture Building Fund	1,202,000

Provisions:

1. Funds appropriated by this item are in lieu of the appropriation made by Food and Agriculture Code Section 624.

8570-001-890—For support of Department of Food and Agriculture, for transfer to Item 8570-001-001, payable from the Federal Trust Fund	1,971,000

Item		Amount
8570-011-112—For support of Department of Food and Agriculture, for transfer to Item 8570-001-001, payable from the Agricultural Pest Control Research Account		111,000
8570-101-001—For local assistance, Department of Food and Agriculture		10,992,000
Schedule:		
(a) 10-Pesticide Regulatory Program	2,915,000	
(b) 20-Plant Pest and Disease Prevention	7,636,000	
(c) 50-Measurement Standards	475,000	
(d) 60-Financial and Administrative Assistance to local fairs	950,000	
(e) 80-General Agricultural activities and Emergency Funding	383,000	
(f) Payable from the Agricultural Fund (Item 8570-101-111)	−34,000	
(g) Payable from the Fair and Exposition Fund (Item 8570-101-191)	−950,000	
(h) Payable from the General Fund (Item 8570-111-001)	−383,000	
Provisions:		
1. In providing assistance to counties under category (c) of this item, the department shall require each county to (1) use these funds for quantity control activities of statewide or regional benefit and (2) maintain county support (from county general funds or fees) for quantity control activities at 1984–85 levels at a minimum. Counties may use state funds for inspections at retailers and other locations if those inspections address specific statewide needs identified by the department.		
8570-101-111—For local assistance, Department of Food and Agriculture, for transfer to Item 8570-101-001, payable from the Agricultural Fund		34,000
8570-101-191—For local assistance, Department of Food and Agriculture, for transfer to Item 8570-101-001, payable from the Fair and Exposition Fund		950,000
Provisions:		
1. The funds in this item are appropriated for the contributions, or the cost of benefits in lieu of contributions, payable from the Fairs and Exposition Fund to the Unemployment Fund by all entities conducting fairs, including county, district, combined county and district, and citrus fruit fairs receiving funds pursuant to Division 8		

Item	Amount
of the Business and Professions Code, as a result of unemployment insurance coverage pursuant to Section 605 of the Unemployment Insurance Code.	
8570-111-001—For local assistance, Department of Food and Agriculture, for transfer to Item 8570-101-001	383,000
Provisions:	
1. The funds in this item are also available for compensation for services performed for agricultural departments and are to be expended in accordance with the provisions of Sections 2221 to 2224, inclusive, of the Food and Agricultural Code.	
8570-311-036—For Capital Outlay, Department of Food and Agriculture, payable from the Special Account for Capital Outlay	1,448,000
Schedule:	
(1) 90.30.060—Davis—John E. Thurman Veterinary Laboratory—Equipment 1,448,000	
8570-495—Reversion, Department of Food and Agriculture. As of June 30, 1986, the unencumbered balance of the appropriations provided in the following citations shall revert to the unappropriated surplus of the fund from which the appropriation was made.	
036—Special Account for Capital Outlay	
(1) Item 8570-301-036 (2), Budget Act of 1985, 90-50.010—Measurement Standards Facility—Purchase option, site suitability study, and environmental impact report.	
601—Agriculture Building Fund	
(1) Item 8570-301-601 (1), Budget Act of 1985, 90.50.010—Measurement Standards Facility—Purchase option, site suitability study, and environmental impact report.	
8620-001-001—For support of the Fair Political Practices Commission	819,000
Schedule:	
(a) 10-Fair Political Practices Commission 819,000	
8640-001-001—For support of Political Reform Act of 1974 (Proposition 9), the following sums are hereby appropriated to, and in augmentation of, the following agencies and officers for the administration, investigation and regulation of the political campaigns, officials, and lobbyists	1,976,000

Item		Amount
Schedule:		
(a) 10-Secretary of State (for transfer to Item 0890-001-001)	636,000	
(b) 20-Franchise Tax Board (for transfer to Item 1730-001-001)	1,042,000	
(c) 30-Attorney General (for transfer to Item 0820-001-001)	310,000	
(d) 40-Fair Political Practices Commission	(2,598,000)	
(e) Reimbursements	−12,000	
8660-001-042—For support of Public Utilities Commission, for transfer to Item 8660-001-412, payable from the State Highway Account, State Transportation Fund		1,432,000
8660-001-046—For support of Public Utilities Commission, for transfer to Item 8660-001-412, payable from the Transportation Planning and Development Account, State Transportation Fund		2,329,000
8660-001-412—For support of Public Utilities Commission, payable from the Transportation Rate Fund		17,480,000
Schedule:		
(a) 100000-Personal Services	46,279,000	
(b) 300000-Operating Expenses and Equipment	21,599,000	
(c) Reimbursements	−4,135,000	
(d) Amount payable from the State Highway Account, State Transportation Fund (Item 8660-001-042)	−1,432,000	
(e) Amount payable from the Transportation Planning and Development Account, State Transportation Fund (Item 8660-001-046)	−2,329,000	
(f) Amount payable from Transportation Rate Fund (Chapter 1142, Statutes of 1985)	−70,000	
(g) Amount payable from the Public Utilities Commission Transportation Reimbursement Account, General Fund (Item 8660-001-461)	−3,637,000	
(h) Amount payable from the Public Utilities Commission Utilities Reimbursement Account, General Fund (Item 8660-001-462)	−38,393,000	

Item		Amount
(i)	Amount payable from Public Utilities Commission Utilities Reimbursement Account, General Fund (Chapter 1079, Statutes of 1985)	−93,000
(j)	Amount payable from the Federal Trust Fund (Item 8660-001-890)	−239,000
(k)	Amount payable from the Universal Telephone Service Fund pursuant to Section 44181 of the Revenue and Taxation Code	−70,000

1. The Public Utilities Commission shall pay the full annual cost of the new state office building located at 505 Van Ness Avenue, San Francisco. This cost shall include, but not be limited to, lease payments, insurance, utilities, janitorial, and maintenance.
2. The Public Utilities Commission may sublet, upon approval by the Director of the Department of General Services, any portion of the state office building located at 505 Van Ness Avenue, San Francisco for parking, food service, child care, or state business, provided that the rent charged to the sublessee does not exceed the pro rata share of the full cost of the building. All rent from these subleases and any other subleases in the building shall be reflected as revenue to the Public Utilities Commission.
3. It is the intent of the Legislature that, when all lease payments for the financing costs to construct the new state office building located at 505 Van Ness Avenue, San Francisco have been made, the Public Utilities Commission shall be charged only the utilities and maintenance cost portion of the statewide Building Rental Account rate.
4. Of the amount appropriated in category (b), $372,000 shall be available for expenditure only for relocation expenses, private office space, and communications equipment related to the Public Utilities Commission on relocation.

Item		Amount
5. Of the amount appropriated in category (b), $1,980,000 budgeted for Phase II of the office automation plan for the Public Utilities Commission may not be expended unless a feasibility study report for this phase is approved by the Office of Information Technology in the Department of Finance.		
6. Of the amount appropriated in category (b), $210,000 budgeted for the transportation data base system shall not be available for expenditure until a feasibility study report for this project has been approved by the Department of Finance.		
7. The Public Utilities Commission shall, as a first priority, assign an appropriate level of personnel to the task of developing and implementing safety planning criteria, safety standards, and safety procedures which must be met by rapid transit operators in the design, construction, and operation of rail rapid transit systems.		
8660-001-461—For support of Public Utilities Commission, for transfer to Item 8660-001-412, payable from the Public Utilities Commission Transportation Reimbursement Account, General Fund		3,637,000
8660-001-462—For support of Public Utilities Commission, for transfer to Item 8660-001-412, payable from the Public Utilities Commission Utilities Reimbursement Account, General Fund		38,393,000
8660-001-890—For support of Public Utilities Commission, for transfer to Item 8660-001-412, payable from the Federal Trust Fund		239,000
8660-495—Reversion, Public Utilities Commission. Notwithstanding any other provision of law, as of June 30, 1986, the unencumbered balance of the appropriation provided in the following citation shall revert to the unappropriated surplus of the fund from which the appropriation was made:		
Chapter 1241, Statutes of 1984, Section 2a (1).		
8700-001-001—For support of State Board of Control		780,000
Schedule:		
(a) 11-Citizens Indemnification	5,810,000	
(b) 21-Hazardous Substance Claims	20,000	
(c) 31-Civil Claims Against the State	831,000	
(d) 46-SWPR Interagency Agreement	40,000	
(e) 51.01-Administration	277,000	
(f) 51.02-Distributed Administration	−277,000	
(g) Reimbursements	−111,000	

Item		Amount
(h) Amount payable from the Restitution Fund (Item 8700-001-214)	−5,810,000	
Provisions:		
1. The Board of Control shall not routinely notify all local agencies and school districts regarding its proceedings. However, for each of its meetings the board shall notify all parties whose claims or proposals are scheduled for consideration and any party requesting notice of such proceedings.		
8700-001-214—For support of State Board of Control, for support services pursuant to Chapter 5 (commencing with Section 13959) of Part 4 of Division 3 of Title 2 of the Government Code, for transfer to Item 8700-001-001, payable from the Restitution Fund		5,810,000
Provisions:		
1. The Board of Control shall report to the Joint Legislative Budget Committee within 30 days after the end of each quarter of the fiscal year during which the Victims of Violent Crimes claims backlog increases.		
8730-001-001—For support of Commission on State Finance, Program 10		756,000
8780-001-001—For support of Commission on California State Government Organization and Economy		473,000
Schedule:		
(a) 10-Commission on California State Government Organization and Economy	475,000	
(b) Reimbursements	−2,000	
8800-001-001—To the State Controller for support of memberships.....		514,000
Schedule:		
(a) 10-Council of State Governments	207,000	
(b) 20-National Conference of State Legislatures.....	222,000	
(c) 30-Western States Legislative Forestry Task Force	22,000	
(d) 40-Governmental Accounting Standards Board.....	63,000	
8820-001-001—For support of Commission on the Status of Women		591,000
Schedule:		
(a) 100000-Personal Services	384,000	
(b) 300000-Operating Expenses and Equipment	207,000	

Item			Amount
8830-001-001—For support of California Law Revision Commission, Program 10			536,000
Provisions:			
1. The commission shall not limit its scheduled meetings to Sacramento. On a periodic basis, meetings shall be held at other locations in the state, as determined by the commission.			
8840-001-001—For support of California Commission on Uniform State Laws			99,000
8860-001-001—For support of Department of Finance			24,751,000
Schedule:			
(a) 10-Annual Financial Plan		10,107,000	
(b) 20-Program and Information System Assessments		6,033,000	
(c) 30-Supportive Data		8,884,000	
(d) 40.01-Administration		3,529,000	
(e) 40.02-Distributed Administration		−3,485,000	
(f) Reimbursements		−317,000	
Provisions:			
1. The funds appropriated in this item for CFIS/CALSTARS shall be transferred by the State Controller, upon order of the Department of Finance, or made available by the Department of Finance as a reimbursement, to other items and departments for CFIS/CALSTARS related activities by the Department of Finance.			
2. The funds appropriated in this act for purposes of CALSTARS related data processing costs may be transferred between any items in this act by the State Controller upon order of the Director of Finance. Any funds so transferred shall be used only for support of CALSTARS related data processing costs incurred.			
3. Of the funds appropriated in this item for purposes of CALSTARS, an amount not to exceed $95,000 may be expended for final payment of contract retention funds originally withheld pending satisfactory completion of the consulting services contract for development of CALSTARS.			
4. No electronic data processing projects may be given sole source approval any sooner than 30 days after written notification of intention to grant sole source approval is provided to the fiscal committees and the Joint Legislative Budget Committee (JLBC) or any sooner than whatever lesser time the Chairperson of the			

Item		Amount
JLBC shall determine.		
5. The Office of Information Technology (office) shall not have organizational responsibilities for the development or management of information technology programs, including the California Fiscal Information System (CFIS), within the Department of Finance (department). In addition, the office shall not be responsible for approving any data-processing systems within the department. The department shall not implement any change in systems which would have otherwise required approval by the office sooner than 30 days after notification in writing to the Chairperson of the Joint Legislative Budget Committee or whatever lesser time the Chairperson of the Joint Legislative Budget Committee, or his or her designee may determine.		
8885-001-001—For support of Commission on State Mandates, Program 10		575,000
8885-101-001—For local assistance, Commission on State Mandates, for reimbursement, in accordance with the provisions of Section 6 of Article XIII B of the California Constitution or of Section 2231 of the Revenue and Taxation Code, of the costs of any new program or increased level of service of an existing program mandated by statute or executive order, State Controller		144,185,000
Schedule:		
(a) 02.50.015.878—Court interpreters	11,000	
(b) 02.50.074.378—Judicial arbitration	4,000,000	
(c) 02.50.126.278—Victims' statements	600,000	
(d) 02.50.135.576—Justice court judges	25,000	
(e) 02.50.139.976—Custody of minors	1,009,000	
(f) 02.50.088.981—Lis pendens	5,000	
(g) 02.50.081.081—Parent/Child Counsel	117,000	
(h) 02.50.108.882—Juvenile Felony Arrests	636,000	
(i) 02.50.158.084—Judges' per diem	195,000	
(j) 02.50.164.084—Juror compensation	10,070,000	
(k) 06.90.103.280—Deaf teletype equipment	22,000	
(*l*) 08.20.046.278—Dental examinations	42,000	
(m) 08.20.095.276—Marijuana records	106,000	

Item	Amount
(n) 08.20.101.184—Juvenile court records	22,000
(o) 08.20.156.284—Firearms	27,000
(p) 08.90.007.778—Absentee ballots	2,512,000
(q) 08.90.045.474—Filing fees	425,000
(r) 08.90.049.479—Handicapped voter access	16,000
(s) 08.90.070.475—Registration by mail	840,000
(sa) 08.90.140.176—Voter Registration purge	1,088,000
(t) 17.30.023.874—Substandard housing	10,000
(ta) 19.00.139.874—Unused sick leave credit	1,378,000
(tb) 19.00.117.078—Increased pension	7,615,000
(tc) 19.00.103.679—Increased benefits	1,755,000
(td) 19.00.079.980—Increased death benefits	375,000
(u) 19.00.055.785—Social Security Offset	82,000
(v) 21.80.094.175—Health care plans	4,000
(w) 22.40.114.380—Regional housing needs	72,000
(x) 37.20.133.076—Local coastal plans	424,000
(y) 39.40.999.001—Underground storage tanks	12,084,000
(z) 41.40.085.476—Health planning	325,000
(aa) 42.60.045.374—Sudden infant death syndrome	6,000
(bb) 42.60.116.381—Medi-Cal beneficiary death notices	80,000
(cc) 43.00.049.877—Coroners	48,000
(dd) 43.00.064.480—Judicial proceeding	58,000
(ee) 43.00.069.475—Attorney fees	74,000
(ff) 43.00.125.380—MR Representation	67,000
(gg) 43.00.130.480—Conservatorship	61,000
(hh) 44.40.103.678—MDSO Recommitments	85,000
(ii) 44.40.106.173—Short-Doyle	3,818,000
(jj) 51.00.000.278—Unemployment Insurance	25,000,000
(kk) 51.80.010.281—Alternative medical coverage	84,000

Item	Amount
(*ll*) 51.80.999.001—Treatment of loans	4,000
(mm) 51.80.999.002—Employment related expenses	11,000
(nn) 51.80.999.003—EED-ES registration	4,000
(oo) 51.80.999.004—Food stamp verification	64,000
(pp) 51.80.999.005—AFDC Social Security validation	142,000
(qq) 54.60.999.001—Detention of Minors	16,000
(rr) 61.00.028.279—School Crossing Guards	3,000
(ss) 61.00.047.282—Rubella records	571,000
(tt) 61.00.089.477—Pupil basic skills	3,731,000
(uu) 61.00.096.175—Collective bargaining	12,133,000
(vv) 61.00.096.577—Discipline	645,000
(ww) 61.00.117.677—Immunization records	1,314,000
(xx) 61.00.125.375—Disciplinary procedures	1,000
(yy) 61.00.134.780—Scoliosis screening	586,000
(yya) 61.00.045.985—Fingerprinting kindergartners	1,340,000
(zz) 63.00.103.679—Benefit increase	25,552,000
(aaa) 63.00.128.680—Benefit increase	8,989,000
(bbb) 81.70.135.776—Guardianship/conservatorship	4,558,000
(ccc) 81.75.112.377—Adult Felony Restitution	340,000
(ddd) 83.50.102.173—Reduced waiting period	7,367,000
(eee) 83.50.102.373—Life pension	636,000
(fff) 83.80.084.578—Filipino employee surveys	2,000
(ggg) 91.00.124.277—Senior citizens' property tax deferral	193,000
(hhh) 91.00.128.180—Involuntary lien notices	1,050,000
(iii) Amount payable from the Restitution Fund (Item 8885-101-214)	−340,000

Item Amount

Provisions:

1. Except as provided in Provisions 3, 4 and 5 below, allocations of funds provided in this item to the appropriate local entities shall be made by the State Controller in accordance with the provisions of each statute or executive order that mandates the reimbursement of such costs, and shall be audited to verify the actual amount of the mandated costs in accordance with subdivision (d) of Section 2231 of the Revenue and Taxation Code; and provided further, that audit adjustments to prior year claims may be paid from this item; and provided further that these funds may be used to provide reimbursement pursuant to Article 5 of Chapter 4 of Part 7 of Division 4 of Title 2 of the Government Code.
2. The funds provided in Schedule (f) are for reimbursement of costs to local governments of providing the copies of notices in eminent domain actions required by Section 1250.150 of the Code of Civil Procedure and the serving of notices in actions concerning real property other than eminent domain actions, as required by Subdivision (b) of Section 409 of the Code of Civil Procedure.
3. Notwithstanding any other provision of law to the contrary, the funds appropriated in Schedules (kk), (*ll*), (mm), (nn), (oo) and (pp) are for transfer to the Department of Social Services for reimbursement of costs which relate to activities of the Department of Social Services, of any new program or increased level of service of an existing program mandated by statute or by executive regulation.
4. The funds appropriated in Schedules (zz) and (aaa) are for transfer to the State Teachers' Retirement Fund for the State Teachers' Retirement System for reimbursement of costs incurred pursuant to Chapter 1036, Statutes of 1979 and Chapter 1286, Statutes of 1980.
5. If any of the scheduled amounts are insufficient to provide full reimbursement of costs, the State Controller may, upon notifying the Director of Finance in writing, augment those deficient amounts from the unencumbered balance of any other scheduled amounts therein, except those as provided in Provision 4. No order may

Item Amount

be issued pursuant to this provision unless written notification of the necessity therefor is provided to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee or his or her designee.

6. None of the funds appropriated in Schedule (s) which are for reimbursement of costs incurred by counties pursuant to Chapter 704, Statutes of 1975, shall be disbursed until the Secretary of State, in consultation with the State Controller, revises, by using comparable cost and workload data, the formula currently used to reimburse counties for their net costs. No funds shall be disbursed to any county which does not have a voter outreach plan on file with the Secretary of State.

8885-101-214—For local assistance, Commission on State Mandates, for transfer to Item 8885-101-001, payable from the Restitution Fund, State Controller 340,000

8885-495—Reversion, Commission on State Mandates. As of June 30, 1986, the unencumbered balance of the appropriation provided in Chapter 96 of the Statutes of 1984, shall revert to the unappropriated surplus of the General Fund.

8910-001-001—For support of Office of Administrative Law, Program 10 2,926,000

Provisions:

1. The Office of Administrative Law shall provide quarterly reports to the Legislature and the Department of Finance on the status of existing Orders to Show Cause and any new Orders to Show Cause issued during the preceding quarter.
2. Of the $214,000 appropriated in this item for three staff positions in the Office's "Informal Regulations" Program, $107,000 is available for expenditure not sooner than 30 days following submission of a report on this program by the Office of Administrative Law to the Joint Legislative Budget Committee, or not sooner than such lesser time as the chairperson of the committee, or his or her designee, may determine. This report shall be submitted no later than December 1, 1986, and shall contain all of the following:

Item		Amount
(a) A detailed list of the requests for regulatory determinations received by the office between April 1, 1986, and November 1, 1986;		
(b) A detailed list of the regulatory determinations issued by the office during the same period;		
(c) A detailed list of the amount of staff time spent in making each determination issued during this period; and		
(d) An estimated average, based on the above information, of the amount of staff time required per determination.		
8915-001-001—For support of Department of Economic Opportunity, for transfer to Item 8915-001-890		85,000
8915-001-890—For support of Department of Economic Opportunity, payable from the Federal Trust Fund		8,082,000
Schedule:		
(a) 20—Energy Programs	6,544,000	
(b) 40—Community Services	1,538,000	
(c) 50.01—Administration	3,309,000	
(d) 50.02—Distributed Administration	−3,224,000	
(e) Amount payable from the General Fund (Item 8915-001-001)	−85,000	
Provisions:		
1. On a federal fiscal year basis, the department shall make the following program allocations for the community services block grant, as a percentage of the total block grant:		
(a) Administration ..... 5 percent The department shall provide the State Controller with the dollar value of these allocation limits, as they relate to the appropriation in this item, at the beginning of the state fiscal year, and shall update this information whenever necessary to reflect federal revisions to the grant.		
2. Notwithstanding Section 16367.5(b) of the Government Code, the office may expend $6,473,000 of the LIHEAP block grant for state administrative costs, adjusted for any allocations made by the Department of Finance for employee compensation and price increases. Any other proposed increase to LIHEAP state administrative costs for the 1986–87 state fiscal year, even if based on a higher, revised grant level and		

Item		Amount
within the 5 percent allowed by Section 16367.5(b), shall be approved pursuant to Section 28 of this act and in no event shall result in the office's state administrative costs for LIHEAP exceeding 7.5 percent of the total LIHEAP grant.		
8915-011-890—For support of Department of Economic Opportunity, to be transferred to the Social Welfare Federal Fund, payable from the Federal Trust Fund		(10,728,000)
8915-101-001—For local assistance, Department of Economic Opportunity, for transfer to Item 8915-101-890		1,335,000
8915-101-890—For local assistance, Department of Economic Opportunity for assistance to individuals and payments to service providers, payable from the Federal Trust Fund		124,172,000
Schedule:		
(a) 20-Energy Programs	94,669,000	
(b) 40-Community Services	30,838,000	
(c) Amount payable from the General Fund (Item 8915-101-001)	−1,335,000	
Provisions:		
1. On a federal fiscal year basis, the department shall make the following program allocations for the community services block grant as a percentage of the total block grant:		
(a) Discretionary	5 percent	
(b) Migrant and seasonal farm workers	10 percent	
(c) Native American Indian programs	3.9 percent	
(d) Community action agencies and community services	76.1 percent	
All grantees under the community services block grant program shall be subject to standard state contracting procedures required under the program.		
2. The department shall provide the State Controller with the dollar value of these allocation limits, as they relate to the appropriation in this item, at the beginning of the state fiscal year, and shall update this information whenever necessary to reflect federal revisions to the grant.		

Item Amount

3. In order to support any new community action agency (CAA), the DEO may transfer from the allocation for areas without CAAs a share of funds that is equal to the proportion of low-income individuals living in the new CAA area compared to the low-income population in all areas without a CAA.
4. If the DEO proposes to contract for services which are in the nature of economic development and job training or job creation, as part of the discretionary community service block grant funds, the DEO shall coordinate these efforts with the Employment Development Department, the Job Training Coordination Council, and the Department of Commerce. The coordination shall involve as a minimum the opportunity to review and comment by these entities on any RFPs or criteria by which respondents to these RFPs are evaluated.
5. The report required under Section 12783 of the Government Code from the Department of Economic Opportunity to the Legislature shall include, but not be limited to, for 1986–87, statistical and procedural information on the status of all applications filed with the Department of Economic Opportunity for the Low Income Home Energy Assistance Program's cash payment program including: (a) the timely distribution of direct payments to eligible applicants, (b) incomplete applications, (c) denied applications, (d) appealed applications, and (e) the issuance or reissuance of single-party warrants.
6. The department shall evaluate the level of services being provided by the existing Migrant and Seasonal Farmworkers (MSFW) contractors in order to ensure that these services are provided on an equitable local basis throughout the state. The department shall correct any identified areas of inequitable distribution of MSFW services. Program services shall be provided to local communities either through direct contractors or through subcontractors with local agencies.

Item Amount

7. The department shall notify the Joint Legislative Budget Committee and the legislative fiscal committees by September 1, 1986, of: (1) the actual amount of the 1985–86 fiscal year LIHEA and CSBG funds that are carried forward into the 1986–87 fiscal year for expenditure; and (2) the department's use of the funds carried over, including any difference between its use of the funds and the Budget Act's allocation of funds to each program.

8. All, or a portion, of the $1,335,000 in General Fund money appropriated for purposes of replacing lost community services block grant funds during the current contract period, January 1, 1986 through December 31, 1986, inclusive, may be supplanted by other funds to the extent that the department identifies other funds and allocates them to the block grant program.

8915-490—Reappropriation, Department of Economic Opportunity. Notwithstanding any other provision of law, the unencumbered balances of the appropriation provided in the following citation is hereby appropriated for the purposes provided for in that appropriation, and shall be available for expenditure until June 30, 1987, as follows:

(a) Schedules (a) and (b) of Item 0660-101-890 of the Budget Act of 1985, LIHEA and CSBG funds.

8940-001-001—For support of Military Department 20,517,000

Schedule:

(a) 10-Army National Guard	32,198,000
(b) 20-Air National Guard	7,782,000
(c) 30.01-Office of the Adjutant General	4,913,000
(d) 30.02-Distributed Office of Adjutant General	−4,913,000
(e) 35-Military Support to Civil Authority	222,000
(f) 40-Military Retirement	2,004,000
(g) 50-California Cadet Corps	483,000
(h) 55-State Military Reserve	279,000
(i) 60-Farm and Home Loan	72,000
(j) 71-California Innovative Military Projects and Career Training	1,629,000
(k) Reimbursements	−1,576,000

Item		Amount
(*l*) Amount payable from the Armory Discretionary Improvement Fund (Item 8940-001-485)		−110,000
(m) Amount payable from the Federal Trust Fund (Item 8940-001-890)		−22,466,000

Provisions:

1. No expenditures shall be made from this appropriation as a substitution for personnel, equipment, facilities, or other assistance, or for any portion thereof, which in the absence of such expenditure, or of this appropriation, would be available to the Adjutant General of the State Military Forces, the California National Guard or the California National Guard Reserve from the federal government.
2. The appropriation for Program 40 shall be for military retirements, in accordance with the provisions of Sections 228 and 256 of the Military and Veterans Code, Military Department.
3. The Military Department shall notify the Legislature at least four weeks prior to dispatching any members of the National Guard to a foreign country if any of the following conditions exist:
   (a) There has been armed combat in the country within 90 days of the scheduled arrival of the National Guard and no resolution of the dispute leading to the armed combat has been reached.
   (b) The foreign country is currently in use as a base for armed combat within another country bordering on the foreign country.
   (c) There is a reasonable likelihood of armed combat in the foreign country while the National Guard is scheduled to be on military duty there.

8940-001-485—For support of the Military Department, for transfer to Item 8940-001-001 110,000

Provisions:

1. No expenditures shall be made from this appropriation until sufficient revenues or income from armories have been deposited into the State Treasury to the credit of the General Fund pursuant to the Military and Veterans Code Section 431(c).

Item		Amount
8940-001-890—For support of Military Department, for transfer to Item 8940-001-001, payable from the Federal Trust Fund		22,466,000
8940-301-036—For Capital Outlay, Military Department, payable from the Special Account for Capital Outlay		842,000
Schedule:		
(1) 70.10.010-Statewide—Project planning, working drawings and supervision of construction financed from federal funds	635,000	
(3) 70.90.010-Minor projects	207,000	
8940-301-604—For Capital Outlay, Military Department, payable from the Armory Fund		2,716,000
Schedule:		
(1) 70.21.010-Fairfield—Armory—construction	838,000	
(2) 70.23.010-San Jose—Armory—preliminary plans and working drawings	329,000	
(4) 70.28.010-Thousand Oaks—Armory—acquisition	1,228,000	
(5) 70.30.010-Ukiah—Armory—acquisition	321,000	
Provisions:		
1. Upon the approval of the Department of Finance, the Military Department may borrow funds for the projects specified in categories (1) and (2) from the General Fund or the Special Account for Capital Outlay.		
2. No expenditures for capital outlay projects included in this item shall be made from the Armory Fund until all outstanding loans to the fund, including any made pursuant to Provision 1, have been repaid.		
3. The department shall provide, beginning October 1, 1986, quarterly reports to the Chairperson of the Joint Legislative Budget Committee indicating the status of the sale of the San Francisco and San Jose armories.		
4. The funds appropriated in category (4) shall be made available from the proceeds of armory sales after such funds have been provided for projects in categories (1), (2), and (5).		
8940-301-890—For Capital Outlay, Military Department, payable from the Federal Trust Fund		2,162,000

Item		Amount
Schedule:		
(1) 70.21.010-Fairfield—Armory Building—Construction	1,614,000	
(2) 70.23.010-San Jose—Armory Building—Preliminary plans and working drawings	202,000	
(3) 70.26.010-Sacramento—Mather A-FB (Old Placerville Road)/Armory—Preliminary plans and working drawings	58,000	
(4) 70.90.010-Minor Projects	288,000	
9100-101-001—For local assistance, Tax Relief		866,169,000
Schedule:		
(a) 10-Senior Citizens' Property Tax Assistance	5,364,000	
(b) 20-Senior Citizens' Property Tax Deferral Program	7,000,000	
(c) 30-Senior Citizen Renters' Tax Assistance	26,285,000	
(d) 50-Homeowners' Property Tax Relief	338,200,000	
(e) 60-Subventions for Open Space	14,200,000	
(f) 80-Renters' Tax Relief	475,000,000	
(g) 90-Substandard Housing	120,000	

Provisions:

1. Schedule (a) is for property tax assistance to homeowner claimants in accordance with the provisions of the Senior Citizens Property Tax Assistance and Postponement Law, Part 10.5 (commencing with Section 20501), of Division 2 of the Revenue and Taxation Code, Franchise Tax Board.

   Any unexpended balance in Schedule (a) may be used to make payments to senior citizen renter claimants under Schedule (c).
2. Schedule (b) is for property tax postponement and assistance to claimants, in accordance with the provisions of the Senior Citizens Property Tax Assistance and Postponement Law, Part 10.5 (commencing with Section 20501), Division 2 of the Revenue and Taxation Code, State Controller. The appropriation made by this schedule shall be in lieu of the appropriation for the same purpose contained in Section 16100 of the Government Code.

Item Amount

3. Schedule (c) is for property tax assistance to renter claimants, in accordance with the provisions of the Senior Citizens Property Tax Assistance and Postponement Law, Part 10.5 (commencing with Section 20501), of Division 2 of the Revenue and Taxation Code, Franchise Tax Board.

   Any unexpended balance in Schedule (c) may be used to make payments to senior citizen homeowner claimants under Schedule (a).
4. Schedule (d) is for reimbursement to local taxing authorities for revenue lost by reason of the homeowners' property tax exemption granted pursuant to subdivision (k) of Section 3 of Article XIII of the Constitution, Controller. The appropriation made by this schedule shall be in lieu of the appropriation required pursuant to Section 25 of Article XIII of the Constitution and the appropriation for the same purposes contained in Section 16120 of the Government Code.
5. Schedule (e) is for providing reimbursement to local taxing authorities for revenue lost by reason of the assessment of open-space lands under Sections 423, 423.3, and 423.5 of the Revenue and Taxation Code, and in accordance with the provisions of Chapter 3 (commencing with Section 16140) of Part 1 of Division 4 of Title 2 of the Government Code, State Controller. The appropriation made by this schedule shall be in lieu of the appropriation for the same purpose contained in Section 16100 or 16140 of the Government Code.
6. Schedule (f) is for transfer by the State Controller, as needed, to the Tax Relief and Refund Account, General Fund, for the purpose of providing credits and refunds to renters as required by Section 17053.5 of the Revenue and Taxation Code, Franchise Tax Board.
7. Schedule (g) is for transfer by the State Controller to the Local Agency Code Enforcement and Rehabilitation Fund, for the purpose of providing funds to defray costs incurred in the enforcement of local housing code provisions and to fund housing rehabilitation programs for persons and families of low and moderate income as defined in Section 50093 of the Health and

Item	Amount
Safety Code, to be allocated to local agencies prorated on the basis of their share of disallowed deductions which resulted from the agencies' proceedings. This amount is in lieu of any statutory requirements.	
9620-001-001—For payment of interest, on order of the Director of Finance, for any General Fund loan ..	1
Provisions: 1. The Director of Finance, the State Controller, and the Treasurer shall satisfy any need of the General Fund for borrowed funds in a manner consistent with the Legislature's objective of obtaining the lowest possible rate of interest on this borrowing. The state fiscal officers shall use external borrowing rather than borrowing from internal state funds whenever it is economically advantageous to the General Fund. 2. In the event that interest expenses related to internal borrowing exceed the amount appropriated in this item, there is hereby appropriated any amounts necessary to pay the interest. Moneys appropriated herein shall not be expended prior to 30 days after the Department of Finance notifies the Joint Legislative Budget Committee of the amount(s) necessary or not sooner than such lesser time as the Chairperson of the Joint Legislative Budget Committee may determine.	
9650-001-001—For the state's contribution for the cost of a health benefits plan and dental care premiums, for annuitants and other employees, in accordance with Sections 22825.7, 22828, 22829 and 22952 of the Government Code, or provided for in a memorandum of understanding pursuant to Section 3517.6 of the Government Code, which was agreed to prior to September 1, 1982, and which is not chargeable to any other appropriation	119,588,000
Schedule: (a) Health benefit premiums ..... 104,091,000 (b) Dental care premiums..... 15,497,000	

Item	Amount
9810-001-001—For payment of attorney fee claims, settlements, compromises, and judgments arising from actions in state courts against the state, its officers, and officers and employees of state agencies, departments, boards, bureaus or commissions, supported from the General Fund, but only pursuant to the provisions of Code of Civil Procedure Section 1021.5, the "private attorney general" doctrine, or the "substantial benefit" doctrine	300,000

Provisions:

1. Expenditures from this item shall be made by the Controller, subject to the approval of the Department of Finance, and shall be charged to the fiscal year in which the disbursement is issued.
2. Expenditures from this item shall not exceed a maximum hourly rate greater than the maximum hourly rate contracted for and paid by the state to private attorneys for services to the state as determined in Provision 3. No expenditure from this item shall be used to pay amounts that result from the use of multipliers of the hourly rate as established above.
3. The Controller shall request the Department of General Services to investigate and determine the maximum hourly rate contracted for and paid to private attorneys performing services for the state in the 1985–86 fiscal year.
4. No payment shall be made by the Controller from this item except in full and final satisfaction of the claim, settlement, compromise, or judgment for attorney fees incurred in connection with a single action.
5. The Director of Finance shall notify the Chairperson of the Joint Legislative Budget Committee and the chairperson of the fiscal committees in each house when funds from this item have been exhausted, or when there are insufficient funds to satisfy a claim completely. This report shall list the known unsatisfied claims, and the amount of each of these claims.

Item	Amount
9810-001-494—For payment of attorney fee claims, settlements, compromises, and judgments arising from actions in state courts against the state, its officers, and officers and employees of state agencies, departments, boards, bureaus or commissions, supported from special funds, payable from the appropriate special fund such amounts as may be necessary, but only pursuant to the provisions of Code of Civil Procedure Section 1021.5, the "private attorney general" doctrine, or the "substantial benefit" doctrine	100,000
Provisions:	
1. Provisions 1, 2, 3, 4 and 5 for Item 9810-001-001 are also applicable to this item.	
9810-001-988—For payment of attorney fee claims, settlements, compromises, and judgments arising from actions in state courts against the state, its officers, and officers and employees of state agencies, departments, boards, bureaus or commissions, supported from nongovernmental cost funds, payable from the appropriate nongovernmental cost fund such amounts as may be necessary, but only pursuant to the provisions of Code of Civil Procedure Section 1021.5, the "private attorney general" doctrine, or the "substantial benefit" doctrine	100,000
Provisions:	
1. Provisions 1, 2, 3, 4 and 5 for Item 9810-001-001 are also applicable to this item.	
9840-001-001—For reserve for contingencies or emergencies	1,500,000
Provisions:	
1. The funds appropriated for reserve for contingencies or emergencies are to be expended only on written authorization of the Department of Finance for contingencies or emergencies.	
2. Contingencies within the meaning of these funds are defined as proposed expenditures arising from unexpected conditions or losses for which no appropriation, or insufficient appropriation, has been made by law and which, in the judgment of the Director of Finance, constitute cases of actual necessity. Emergencies within the meaning of this item are hereby defined as expenditures incurred in response to conditions of disaster or extreme peril which threaten the health or safety of persons or property within the state.	

Item	Amount
3. Emergency and contingency expenditure authorizations and deficiency expenditure authorizations shall be limited to purposes which have been specifically approved by the Legislature in Budget Acts or other legislation, except that not more than $200,000 of each fund may be expended for purposes for which no such specific prior authorizations exist.	
4. Authorizations for expenditures or deficiency expenditures arising from a contingency shall become effective no sooner than 30 days after notification in writing to the Joint Legislative Budget Committee, or no sooner than such lesser time as the committee, or its designee, may in each instance determine.	
5. For expenditure authorizations or deficiency expenditure authorizations arising from an emergency, the Director of Finance shall file with the Joint Legislative Budget Committee within 10 days after approval, copies of all executive orders and allotment promises for emergency-related encumbrance or expenditure authorizations stating the reasons for, and the amount of, all such authorizations, except that any emergency augmentation from this item to any program in excess of 10 percent of the amount authorized for expenditure in the 1986–87 fiscal year for such program shall become effective no sooner than 30 days after notification in writing to the Joint Legislative Budget Committee or no sooner than such lesser time as the committee, or its designee, may in each instance determine, except that no such limit shall apply if the Director of Finance states in writing to the Chairman of the Joint Legislative Budget Committee the necessity and urgency for the allocation which, in the judgment of the director, makes prior approval impractical.	
6. For purposes for which the Governor previously vetoed funding, allocation of funds or authorization for deficiency expenditures shall not be made under the emergency provisions.	
9840-001-494—For Reserve for Contingencies or Emergencies, payable from unallocated special funds ..	1,500,000
Provisions:	
1. Provisions 1, 2, 3, 4, 5, and 6 for Item 9840-001-001 are also applicable to this item.	

Item Amount

2. For the Reserve for Contingencies or Emergencies, payable from special funds, there are hereby appropriated from each such special fund such sums as are necessary to meet contingencies, or emergencies, to be expended only on written authorization of the Director of Finance and that no deficiencies shall be authorized by the Director of Finance in any appropriation of money from special funds made by this act for the 1986–87 fiscal year under the provisions of Section 11006 of the Government Code; provided, that accounts, special accounts, and funds in the General Fund, which are treated as other governmental cost funds for accounting and budgeting purposes in accordance with Section 13303 of the Government Code, shall be considered to be special funds within the meaning of this item.

9840-001-988—For Reserve for Contingencies or Emergencies, payable from unallocated nongovernmental cost funds..... 1,500,000

Provisions:

1. Provisions 1, 2, 3, 4, 5, and 6 for Item 9840-001-001 are also applicable to this item.
2. For reserve for contingencies or emergencies, payable from nongovernmental cost funds, there is hereby appropriated from each such nongovernmental cost fund which is subject to control or limited by this act such sums as are necessary to meet contingencies or emergencies, to be expended only on written authorization of the Director of Finance and, that no deficiencies shall be authorized by the Director of Finance in any appropriation of money from nongovernmental cost funds made by this act for the 1986–87 fiscal year under the provisions of Section 11006 of the Government Code.

9840-011-001—For Reserves for Contingencies or Emergencies (Loans) ..... (2,500,000)

Provisions:

1. This appropriation is for loans that may be made to state agencies which derive their support from the General Fund or from sources other than the General Fund, upon such terms and conditions for repayment as may be prescribed by the Department of Finance and any sum so loaned shall, if ordered by the Department of

Item Amount

Finance, be transferred by the State Controller to the fund from which the support of the agency is derived.

2. No loan shall be made which requires repayment from a future legislative appropriation.
3. Authorizations for loans shall become effective no sooner than 30 days after notification in writing to the Joint Legislative Budget Committee, or no sooner than a lesser time which the committee, or its designee, may in each instance determine, except that this limit shall not apply if the Director of Finance states in writing to the Chairman of the Joint Legislative Budget Committee the necessity and urgency for the loan which, in the judgment of the director, makes prior approval impractical.
4. Within 10 days after approval, the Director of Finance shall file with the Joint Legislative Budget Committee copies of all executive orders for loans stating the reasons for, and the amount of, all of these authorizations.

9840-490—Reappropriation, Reserve for Contingencies or Emergencies. As of June 30, 1986, the unexpended balances of the appropriations made by Items 9840-001-001, 9840-001-494 and 9840-001-988, Budget Act of 1985, shall revert to the unappropriated surplus of the General Fund, special funds and nongovernmental costs funds, respectively.

As of July 1, 1986, the amounts reverted as of June 30, 1986, for Items 9840-001-001, 9840-001-494 and 9840-001-988, Budget Act of 1985, are reappropriated and shall be available until June 30, 1987, and may be expended on written authorization of the Department of Finance issued on or before said date, for contingencies and emergencies, within the meaning of said items, occurring during the 1985–86 fiscal year.

9860-301-036—For Statewide Capital Outlay (10.10.010), payable from the Special Account for Capital Outlay 200,000

Provisions:

1. These funds are to be allocated by the Department of Finance to state agencies to develop design and cost information for new projects for which funds have not been appropriated previously but are anticipated to be included in the 1987–88 Governor's Budget. The amount appro-

Item	Amount
priated in this item is not to be construed as a commitment by the Legislature as to the amount of capital outlay funds it will appropriate in any future year.	
9860-301-188—For Statewide Capital Outlay, (10.10.020), Matching Funds for Energy Grants, Federal Schools and Hospital Grants Program, payable from the Energy and Resources Fund	138,000
Provisions:	
1. These funds are to be allocated by the Department of Finance to the University of California, the California State University, the California Community Colleges, and the California Maritime Academy based on notification of acceptance of grant funding under the Federal Schools and Hospitals Grants Program.	
2. The Department of Finance, 30 days prior to allocation of funds appropriated under this item, shall report the proposed allocation to the Chairman of the Joint Legislative Budget Committee and to the chairperson of the committee in each house which considers appropriations.	
3. The funds appropriated in this item shall be available for allocation by the Department of Finance during the 1986–87 and 1987–88 fiscal years.	
9860-301-782—For Statewide Capital Outlay, (10.10.020), Matching Funds for Energy Grants, Federal Schools and Hospital Grants Program, payable from the Higher Education Capital Outlay Bond Fund	500,000
Provisions:	
1. These funds shall be allocated in accordance with the provisions of Item 9860-301-188.	
9860-495—Reversion, Statewide Capital Outlay. As of June 30, 1986, the unencumbered balance of the appropriation made in Item 9860-321-036 of the Budget Act of 1985, Underground Storage Tank Compliance, shall revert to the unappropriated surplus of the Special Account for Capital Outlay.	

GENERAL SECTIONS
STATEWIDE

SEC. 3.00. Whenever herein an appropriation is made for support it shall include salaries and all other proper expenses, including repairs and equipment, incurred in connection with the institution, department, board, bureau, commission, officer, employee, or other

agency, for which such appropriation is made.

Each item appropriating funds for salaries and wages includes the additional funds necessary to continue the payment of the amount of salaries in effect on June 30, 1986, for the state officers whose salaries are specified by statute.

Whenever herein an appropriation is made for Capital Outlay, it shall include acquisition of land or other real property, major construction, improvements, equipment, designs, working plans, specifications, repairs and equipment necessary in connection with a construction or improvement project.

Whenever herein any item of appropriation contains provisions for acquisition of land or other real property, it shall include all necessary expenses in connection with the acquisition of such property.

Whenever herein an appropriation is made in accordance with a schedule set forth after such appropriation, the expenditures from such item for each category, program, or project included in the schedule shall be limited to the amount specified for such category, program, or project, except as otherwise provided in this act. Each such schedule is a restriction or limitation upon the expenditure of the respective appropriation made by this act, does not itself appropriate any money, and is not itself an item of appropriation.

As used in this act in reference to such schedules "category", "program", or "project" means a class of expenditures such as, but not limited to:

(a) "Personal services" which shall include all expenditures for payment of officers and employees of the state; including salaries and wages, workers' compensation, compensation paid to employees on approved leave of absence on account of sickness, unemployment compensation benefits, insurance premiums for workers' compensation coverage, industrial disability leave and payments, nonindustrial disability benefits and payments, the state's contributions to the Public Employees' Retirement Fund, the Teachers' Retirement Fund, the University of California Retirement Fund to provide for that portion of retirement costs to be provided for Hastings College of Law in Item 6600-001-001 of this Budget Act, the Old Age and Survivors' Insurance Revolving Fund, the Public Employees' Contingency Reserve Fund, and the state's cost of health benefits plans; but do not include compensation of independent contractors rendering personal services to the state under contract;

(b) "Operating expenses and equipment" which shall include all expenditures for purchase of materials, supplies, equipment, services (other than services of state officers and employees), departmental services (services provided by other organizational units within a department, including indirect distributed costs) and all other proper expenses;

(c) "Preliminary plans" are defined as a site plan, architectural floor plans, elevations, outline specifications, and a cost estimate. For each utility, site development, conversion and remodeling project,

the drawings shall be sufficiently descriptive to accurately convey the location, scope, cost, and the nature of the improvement being proposed;

(d) "Working drawings" are defined as a complete set of plans and specifications showing and describing all phases of a project, architectural, structural, mechanical, electrical, civil engineering, and landscaping systems to the degree necessary for the purposes of accurate bidding by contractors and for the use of artisans in constructing the project. All necessary professional fees and administrative service costs are included in the preparation of such drawings;

(e) "Construct" or "construction" when used in connection with a capital outlay project shall include all such related things as fixtures, installed equipment, and auxiliary facilities;

(f) "Minor projects" include construction, improvements and equipment projects not specifically set forth in the schedule;

(g) "Programs" include all expenditures, regardless of category, required to carry out the objectives of the named activity.

For the purpose of further interpreting the meaning of the words, terms and phrases, and uniform codes used in such schedules, reference is hereby made to those documents entitled, "State of California Governor's Budget for 1986–87," submitted by the Governor to the Legislature at the 1986 portion of the 1986–87 Regular Session, the uniform accounting system prescribed by the Department of Finance under the provisions of Section 13300 of the Government Code, the Uniform Codes Manual, and the appropriate portions thereof. The State Board of Control shall establish such interpretations as are necessary to carry out the provisions of this section and shall furnish the same to the State Controller and to every state agency to whom appropriations are made under this act.

SEC. 3.50. Whenever herein an appropriation is made for support or other expenses for an institution, department, board, bureau, commission, officer, employee, or other agency, there shall be charged to the appropriation from which salaries and wages are paid: worker's compensation, compensation paid to employees on approved leave of absence on account of sickness, unemployment compensation benefits, industrial disability leave and payments, nonindustrial disability benefits and payments, the state's contribution to the Public Employees' Retirement Fund as provided by Sections 20751 and 20752 of the Government Code, the state's contribution to the Teachers' Retirement Fund as provided by Sections 23000 and 23400 of the Education Code, the state's contribution to the Old Age and Survivors' Insurance Revolving Fund as provided by Sections 20782 and 20783 of the Government Code, the state's contribution to the Public Employees' Contingency Reserve Fund, and the state's contribution for the cost of health benefits plans as provided by Sections 22828 and 22829 of the Government Code.

As of the effective date of this act, the state's contributions as provided by Sections 22828 and 22829 of the Government Code for

any month shall be charged to the same appropriations used for payment of salaries and wages from which the employee premium contributions for such month are deducted.

The appropriations made by Sections 20751, 20752, 20782, 20783, 22828, and 22829 of the Government Code and by Sections 23000 and 23400 of the Education Code, shall continue to be available for expenditure, and shall be charged for any expenditure which is not chargeable to an appropriation for support or other expenses as provided in this section. This transfer may be chargeable to such appropriation for a previous fiscal year if there are no funds available from that fiscal year.

The State Controller may transfer to the State Payroll Revolving Fund the contributions required by Sections 20751, 20752, 20782, 20783, 22828, and 22829 of the Government Code, and upon certification by the Board of Administration of the Public Employees' Retirement System in accordance with Sections 20754 and 20784 of the Government Code, may transfer from the State Payroll Revolving Fund to the Public Employees' Retirement Fund and the Old Age and Survivors' Insurance Revolving Fund the amounts of contributions so certified.

SEC. 3.60. (a) Notwithstanding any other provision of law, the Department of Finance shall reduce amounts in any appropriation item, or in any category thereof, in this act which are determined to be in excess as a result of a reduction to the employers' contribution for 1986–87 fiscal year retirement benefits, as adopted by the Board of Administration of the Public Employees' Retirement System.

(b) The Department of Finance shall also reduce amounts in any appropriation in this act which are determined to be in excess as a result of a reduction to the reserve against deficiencies in the Retirement Fund of the Public Employees' Retirement System and results in a reduction to the employers' contribution for retirement benefits.

(c) The Department of Finance shall also reduce amounts in any appropriation in this act which are determined to be in excess as a result of crediting funds determined to be surplus balances to the Investment Dividend Disbursement Account Program (IDDA) and results in a reduction to the employers' contribution for retirement benefits.

(d) The Public Employees' Retirement Board shall report to the Superintendent of Public Instruction and the Chancellor of the California Community Colleges by January 1, 1987, the applicable credit due to the 1985–86 fiscal year credit of IDDA surplus funds and the 1986–87 fiscal year reduction of the Public Employees' Retirement Fund Reserve for Deficiencies, for each K–12 school district and community college district, respectively.

(e) Notwithstanding any other provision of the law, the Superintendent of Public Instruction shall, in fiscal years 1985–86 and 1986–87, make a one-time reduction to the base revenue limit of each K–12 school district as follows:

(1) Determine the amount of the credit due to the IDDA surplus and the reduction due to the reserve against deficiencies applicable to each district, for the appropriate fiscal year.

(2) Subtract the amount computed pursuant to paragraph 1 from each district's base revenue limit, for the appropriate fiscal year, as computed pursuant to Section 42238 of the Education Code.

(f) Notwithstanding any other provision of the law, the Chancellor of the California Community College System shall, in fiscal years 1985–86 and 1986–87, make a one-time reduction to the base revenues of each community college district as follows:

(1) Determine the amount of the credit due to the IDDA surplus and the reduction due to the reserve against deficiencies applicable to each district, for the appropriate fiscal year.

(2) Subtract the amount computed pursuant to paragraph 1 from each district's base revenues, for the appropriate fiscal year, as computed pursuant to Section 84701 of the Education Code.

(g) Subdivisions (b) and (c) shall be effective only if the Public Employees' Retirement System's Board of Administration authorizes the amounts related to the reduction to the reserve against deficiencies and the surplus IDDA funds to be used as employer contribution relief and implementing legislation is enacted.

(h) For computation of district revenue limits for the 1987–88 fiscal year, the reductions made pursuant to subdivisions (e) and (f) shall be disregarded.

The Department of Finance shall certify to the State Controller the amount of the reductions in this act by item and category. In addition, for purposes of calculating the "appropriations subject to limitation" as defined in Section 8 of Article XIII B of the California Constitution, the appropriations in this act shall be deemed to be the amounts remaining after the reductions required by this section are made.

SEC. 4.00. Notwithstanding any other provisions of law, the employer's contributions for the 1986–87 fiscal year, which are chargeable to an appropriation made in this act, with respect to each state officer and employee or an annuitant who was in such employment or office, including an academic position with a California State University or College, or is a survivor of such person, or is an annuitant, shall be $88 for basic and related major medical plans with respect to employees or annuitants enrolled for self alone, or $163 for an employee or annuitant so enrolled for self and one family member, or $219 for an employee or annuitant so enrolled for self and two or more family members, or, if less, the amount necessary to pay the cost of such person's enrollment, including the enrollment of such person's family members, in a health benefits plan or plans.

SEC. 4.20. (a) Notwithstanding any other provisions of law, the employer's contributions to the Public Employees' Contingency Reserve Fund, as required by Section 22826 of the Government Code, shall be 0.1 percent of the gross health insurance premiums paid by

the employer and employee for administrative expenses and 0.0 percent of the gross health insurance premiums paid by the employer and employee for the reserve portion of the Public Employees' Contingency Reserve Fund.

SEC. 5.00. (a) No funds appropriated by this act or appropriated under any other statute may be used to pay attorney's fees in actions arising in state courts unless payment of the fees is either:

(1) Specifically authorized and set forth in an item or section of this act; or

(2) Expressly authorized by a statutory provision other than Section 1021.5 of the Code of Civil Procedure.

(b) This section shall not be construed as making an appropriation of funds for the payment of court-awarded attorney's fees.

SEC. 5.50. The Director of General Services shall, within 30 days of approving any contracts and interagency agreements for consultant or personal services, so notify the Chairperson of the Joint Legislative Budget Committee.

SEC. 6.00. None of the funds appropriated for support purposes under Section 2 of this act may be encumbered for any project for the alteration of a state building requiring total expenditures of $10,000 or more unless the Director of Finance determines that the proposed alteration is critical and that it is necessary to proceed using funds appropriated for support purposes. The maximum cost of any such project shall not exceed $200,000, and any approved critical project shall be reported to the Chairperson of the Joint Legislative Budget Committee or his or her designee, not less than 30 days prior to requesting bids for the project. The report shall detail those factors which make the project so critical that it must proceed using support funds.

SEC. 6.50. (a) The Department of Finance may, pursuant to a request by the officer, department, division, bureau, board, commission, or other agency to whom an appropriation is made herein, authorize the augmentation of the amount available for expenditure for a category, program, or project designated in any schedule set forth for such appropriation by transfer from any of the other designated categories, programs, or projects within the same schedule. The Department of Finance shall furnish the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee a report on all authorizations given pursuant to this section during the preceding quarter.

(b) Augmentations of amounts available for expenditure for a category, program, or project designated in any line of any schedule for personal services or operating expenses and equipment set forth for such appropriation by transfer from any of the other designated categories, programs, or projects within the same schedule shall not exceed, during any fiscal year:

(1) 20 percent of the amount so scheduled on that line for those

support appropriations made herein which are $2,000,000 or less.

(2) $400,000 of the amount so scheduled on that line for those support appropriations made herein which are more than $2,000,000 but equal to or less than $4,000,000.

(3) 10 percent of the amount so scheduled on that line for those support appropriations made herein which are more than $4,000,000.

(4) The Department of Transportation Highway Program shall be limited to a schedule change of 10 percent.

(c) Any transfer in excess of $100,000, and any transfer, regardless of the amount, for the purpose of funding a task force or advisory council created by executive order of the Governor, may be authorized pursuant to this section not sooner than 30 days after notification in writing of the necessity therefor is provided to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may in each instance determine.

SEC. 7.20. (a) No funds appropriated by this act may be expended for a commercial insurance policy unless the coverage is either required by law or necessary in order to ensure that a particular state governmental function can be performed. The policy may not be purchased without the review and approval of the Department of General Services, and it may not by purchased any sooner than 30 days after the Chairman of the Joint Legislative Budget Committee has been notified regarding the necessity of the insurance policy, or not sooner than whatever lesser time the chairman may in each instance determine.

SEC. 7.50. Whenever an expenditure is authorized from the reserve for contingencies or emergencies, from price increase funds, from employee benefits or special salary adjustments funds, from total equivalent compensation funds, from the salary increase funds, or from a fund pursuant to Section 11006 of the Government Code, in addition to an appropriation made by this act, such authorized expenditures may, for accounting purposes, be deemed to be an augmentation and increase of the appropriation made by this act.

SEC. 8.50. (a) In making appropriations to state agencies which are eligible for federal programs, it is the intent and understanding of the Legislature that applications made by such agencies for federal funds under any such programs shall be for the maximum amount allowable under federal law. Therefore, any amounts received from the federal government are hereby appropriated, from the Federal Trust Fund for expenditure or for transfer to and disbursement from the State Treasury Fund established for the purpose of receiving such federal assistance subject to any provisions of this act which are applicable to the expenditure of such funds, including Section 28.00.

(b) However, if federal funds for block grant programs assumed by the state are reduced by more than 5 percent of the amount

appropriated in this act, the Director of Finance shall notify the chairperson of the committee in each house which considers appropriations, and the Chairperson of the Joint Legislative Budget Committee, in writing within 30 days after notification by the federal government that federal funds have been reduced, and shall include a plan of reduced expenditures for the federal block grant programs affected. The plan shall be operational on an interim basis for up to 45 days pending legislative review, after which time the plan shall become permanent.

(c) In addition, the Department of Finance shall notify the Chairperson of the Joint Legislative Budget Committee, and the chairpersons of the fiscal committees, within 30 days after notification from the federal government, in the event that federal funds for any item receiving federal funds are reduced by more than 5 percent of the amount appropriated in this act. Notification shall include an estimate of (a) the amount of federal funds available or anticipated, (b) state fiscal year 1986–87 expenditures for each program affected by the reduction, and (c) the effect of reduced funding on service levels authorized by this act.

SEC. 8.51. Each state agency shall, by certification to the State Controller, identify the account within the Federal Trust Fund when charges are made against any appropriation made herein from the Federal Trust Fund.

SEC. 9.00. The Supplemental Report of the Committee of Conference on the Budget Bill, which contains agreed language on statements of intent or requests for studies and which was submitted to the Senate and Assembly concurrently with consideration of the Budget Bill for the 1986–87 fiscal year, reflects the intent of the Legislature in enacting the Budget Act of 1986 and should be interpreted as such by the various agencies of state government affected by the statements contained in the report. The Legislative Analyst shall transmit copies of the report to all agencies to which statements of intent and requests for studies are directed in order that each may be fully informed of the intent of the Legislature.

SEC. 9.20. Notwithstanding Section 15860 of the Government Code, the amount of funds expended for administrative costs associated with any appropriation contained herein for acquisition of property pursuant to the Property Acquisition Law shall be limited to the amount specified for such costs in the Supplemental Report of the Committee on Conference on the 1986 Budget Act. Amounts for administrative costs may be augmented by no more than 5 percent by the State Public Works Board. Notwithstanding the foregoing, any amounts needed for administrative costs associated with acquisition through the condemnation authority of the State Public Works Board shall be provided through augmentation of the affected appropriations as authorized by existing law.

SEC. 11.50. (a) Notwithstanding any other provision of law, the allocations to the California Water Fund made pursuant to subdivi-

sion (b) of Section 6217 of the Public Resources Code shall be in the amount of five million eight hundred fifty-four thousand dollars ($5,854,000) for the 1986–87 fiscal year.

(b) Notwithstanding any other provision of law, no allocation to the Central Valley Water Project Construction Fund shall be made pursuant to subdivision (c) of Section 6217 of the Public Resources Code for the 1986–87 fiscal year.

(c) Notwithstanding any other provision of law, the allocation to the Capital Outlay Fund for Public Higher Education made pursuant to subdivision (e) of Section 6217 of the Public Resources Code shall be in the amount of ten million eighty-five thousand dollars ($10,085,000) for the 1986–87 fiscal year.

(d) Notwithstanding any other provision of law, no allocation to the State School Building Lease-Purchase Fund shall be made pursuant to subdivision (f) of Section 6217 of the Public Resources Code.

(e) Notwithstanding any other provision of law, no allocation to the Energy and Resources Fund shall be made pursuant to subdivision (g) of Section 6217 of the Public Resources Code for the 1986–87 fiscal year.

(f) Notwithstanding any other provision of law, the allocation to the California Housing Trust Fund made pursuant to subdivision (h) of Section 6217 of the Public Resources Code shall be in the amount of fifteen million dollars ($15,000,000) for the 1986–87 fiscal year.

(g) Notwithstanding any other provision of law, no transfer to the Roberti-Z'Berg-Harris Open-Space and Recreation Program Account from the Special Account for Capital Outlay in the General Fund shall be made pursuant to Section 5624.5 of the Public Resources Code for the 1986–87 fiscal year.

(h) Notwithstanding any other provision of law, the amount transferred to the Special Account for Capital Outlay for the 1986–87 fiscal year shall be in the amount of thirty-two million nine hundred ninety-one thousand dollars ($32,991,000), in lieu of the allocation specified in subdivision (i) of Section 6217 of the Public Resources Code.

(i) Notwithstanding any other provision of law, there shall be transferred to the General Fund for the 1986–87 fiscal year an amount of sixteen million seven hundred eighty-three thousand dollars ($16,783,000) from tidelands oil revenues otherwise subject to Section 6217 of the Public Resources Code.

SEC. 11.51. There is hereby appropriated the amount of three million eight hundred twenty-one thousand dollars ($3,821,000) for transfer by the State Controller from the Special Account for Capital Outlay to the Energy and Resources Fund as of June 30, 1986. The Director of Finance may allocate funds among the Energy and Resources Fund; the Energy Account, Energy and Resources Fund; and the Resources Account, Energy and Resources Fund. The funds transferred to the Energy and Resources Fund pursuant to this section shall be available for reimbursements to the General Fund for purposes which shall include, but not be limited to, the purposes of

Section 6 of Chapter 1346 of the Statutes of 1980.

SEC. 11.52. Notwithstanding any other provisions of law, on July 1, 1986, the State Controller shall transfer the amount of thirty-five million sixty thousand dollars ($35,060,000) from the Capital Outlay Fund for Public Higher Education to the Special Account for Capital Outlay in the General Fund.

SEC. 12.00. For the purposes of Article XIII B of the California Constitution, there is hereby established a state "appropriations limit" of twenty-four billion one hundred seventy-three million dollars ($24,173,000,000) for 1986–87. Any judicial action or proceeding to attack, review, set aside, void or annul the "appropriations limit" for the 1986–87 fiscal year shall be commenced within 45 days of the effective date of this act.

SEC. 12.30. (a) There is hereby appropriated from the General Fund for transfer to the Special Fund for Economic Uncertainties by the Controller, upon order of the Director of Finance, an amount necessary to bring the undesignated balance in this special fund up to the amount stated in the Final Change Book for the 1986–87 fiscal year ending balance in the Special Fund for Economic Uncertainties, as of July 1, 1986. The undesignated balance of the Special Fund for Economic Uncertainties shall not include the balance in the Disaster Response—Emergency Operations Account, which was created by Chapter 1562, Statutes of 1985.

(b) For the purpose of calculating the "appropriations subject to limitation" as defined in Section 8 of Article XIII B of the California Constitution, the appropriations in this act shall be deemed limited to the lesser of the following amounts:

(1) The amounts stated in this act or

(2) The amount encumbered or expended as of June 30, 1986 against each appropriation. The amount of the appropriations expended or encumbered shall be determined on the basis of the State of California Preliminary Annual Report—Accrual Basis. Any subsequent adjustments shall be determined jointly by the Controller and the Director of Finance.

SEC. 12.31. The Department of Finance shall provide the Legislature with monthly fiscal updates for the purpose of facilitating more accurate fiscal planning. The fiscal updates shall be provided on the 15th of the month and shall include, but not be limited to, the following information.

(a) Increases or decreases in General Fund revenues and expenditures, and impact on surplus, including separate reporting for individual major sources of General Fund revenues and separate reporting for major expenditure categories. The department shall separately identify the amount of revenues to be received from each source both (1) under current law and (2) under assumptions which are consistent with the administration's budget proposals.

(b) Increases or decreases in estimates for tidelands oil revenues.

(c) Major factors responsible for the fiscal changes identified in

subdivision (a) and (b), including economic factors and cash-flow factors, as well as legislation and judicial decisions.

SEC. 12.50. (a) The contingency reserve for economic uncertainties established within each special fund by Section 12.35 of the Budget Act of 1981 is hereby continued in existence. These reserves represent reserve funds within the meaning of Section 5 of Article XIII B of the California Constitution.

(b) There is hereby appropriated from each reserve account in each special fund, an amount sufficient to fund any appropriation made by this act or other statute from the fund in which the reserve account is established.

(c) There is hereby appropriated on June 30, 1987, the unappropriated balance in each special fund to the reserve account in that special fund.

SEC. 13.00. Notwithstanding any other provisions of law, expenditures under Item 0160-001-001 of this act or any appropriation in augmentation of such item shall be exempt from the provisions of Chapter 7 (commencing with Section 11700) of Part 1 of, Article 2 (commencing with Section 13320) of Chapter 3 of Part 3 of, Chapter 3 (commencing with Section 14250) of Part 5 of, and Chapter 6 (commencing with Section 14780) of Part 5.5 of, Division 3 of Title 2 of, the Government Code, Division 2 (commencing with Section 10100) of the Public Contract Code, subdivision (a) of Section 713 of Title 2 of the California Administrative Code and Section 5.50 of this act, and may be expended as set forth in the Governor's Budget, or for such other purposes, including expenditures for such number of positions in various classifications as may be authorized by the Joint Committee on Rules.

Notwithstanding any other provisions of law, the unencumbered balances as of June 30, 1986, of the appropriations made by Items 0160-001-001 and 8840-001-001 of the Budget Act of 1985 are reappropriated and shall be available for encumbrance until June 30, 1987 for the same programs and purposes for which appropriations for these items have been made by this act.

SEC. 15.00. The Controller shall submit an annual report to the Governor and the Legislature containing a statement of the funds of the state, its revenues, and the public expenditures during the preceding fiscal year by January 1 of the subsequent fiscal year. Pursuant to Section 12460 of the Government Code, this report shall be based on financial and statistical reports, duly verified and covering the period of each fiscal year, from all agencies of the state included within the provisions of Section 13300 of the Government Code.

These reports shall be submitted to the Controller by July 31 of the subsequent fiscal year. If any agency fails to submit a report by September 30 of the subsequent fiscal year, the Controller shall cease to pay all warrants, bills, and other liabilities acquired by the agency. If any agency fails to submit a report by January 1 of the subsequent fiscal year, the Controller shall cease to issue salary payments to the

employees of the agency directly responsible for the report. For the purposes of this section, "directly responsible" shall be deemed to apply to the employee or employees preparing the report and all persons at a supervisory level above these employees. The Controller shall certify that each report is complete and accurate within 30 days of receipt of each report. If any of the punitive actions described above are taken against an agency, punitive actions shall cease upon receipt of a complete and accurate report from the agency. The Controller shall then pay any outstanding warrants, debts, or other liabilities held against the agency.

RESOURCES

SEC. 18.10. No expenditure from an appropriation made by this act to the Department of Parks and Recreation shall be made to modify, execute, or approve an operating lease, or an operating agreement with any local entity or any nonprofit corporation, unless either of the following has occurred:

(1) The Legislature has reviewed the lease, or agreement as part of the support or capital outlay budget of the Department of Parks and Recreation and expressed approval of the expenditure from an appropriation made by this act through the supplemental language report.

(2) The State Public Works Board has approved the lease, or an agreement not sooner than 20 days after the Director of Finance has provided written notification to the Chairperson of the Joint Legislative Budget Committee, the Chairperson of the Assembly Ways and Means Committee, and the Chairperson of the Senate Budget and Fiscal Review Committee, and upon a determination by the board that the proposal could not have reasonably been presented to the Legislature through the annual budget process.

The Department of Parks and Recreation shall include with the proposed lease or agreement sufficient documentation to enable the Legislature, or the board, as the case may be, to evaluate fully the estimated operating costs and revenues and all terms upon which the lease or agreement is proposed to be entered into. Specifically, the documentation shall identify (1) any anticipated costs to the state for operation or development under the agreement and the anticipated state share of total operation and development costs and (2) the anticipated annual revenues, net of operation costs, for the unit and the state's share of these revenues.

HEALTH AND WELFARE

SEC. 21.00. The State Controller may only with the recommendation of the Committee established by Chapter 1167, Statutes of 1981 (AB 861) and the approval by the Director of Finance, withhold up to one percent of the funds provided for federal block grants as set forth in Chapter 1343, Statutes of 1982 (AB 3295). This withhold, which encompasses funds provided for preaudits and federally mandated audits of federal block grant funds, will be for the purpose of assuring that acceptable audit plans will be developed and submitted for approval by responsible state departments on a timely basis.

SEC. 21.50. (a) In the event that, because of noncompliance with current federal Emergency Assistance Program requirements, the federal government reduces or eliminates Emergency Assistance Program funding, the Director of Finance is authorized to allocate funds in augmentation of funding for child welfare services in the Department of Social Services for the 1986–87 fiscal year.

(b) Subdivision (a) shall become operative only to the extent that federal funds budgeted in this act are not allocated to the state. The Director of Finance shall notify the Legislature of any such augmentation through the process outlined in Section 28.00.

EDUCATION

SEC. 22.00. (a) There is hereby appropriated ten million dollars ($10,000,000) from the General Fund for transfer by the Controller, upon order of the Director of Finance, to the Department of Social Services, State Department of Education, or other appropriate agencies that have demonstrated that additional resources are necessary to implement the Greater Avenues for Independence (GAIN) program pursuant to Chapter 1025 of the Statutes of 1985. Allocations made pursuant to this section shall be subject to Section 28.00 of this act.

(b) In order to receive funding under this section: (1) school districts operating adult education programs shall certify to the Superintendent of Public Instruction that they have fully utilized their average daily attendance authorized for funding during the 1986–87 fiscal year, under Section 52616 of the Education Code, as well as any funds reallocated by the Superintendent pursuant to subdivision (d) of Section 52616 of the Education Code; (2) school districts and county offices of education operating regional occupational programs shall certify to the Superintendent of Public Instruction that they have fully utilized allocations made pursuant to Item 6100-102-001; and (3) community college districts receiving funds under this section shall certify to the Chancellor of the California Community Colleges that they have fully utilized allocations made pursuant to Section 84710 of the Education Code. Funds shall be allocated to community college districts from this section prior to

allocation of any funds being transferred pursuant to Section 84707 of the Education Code.

SEC. 24.00. For the 1986–87 fiscal year, the oil and mineral revenues from federal lands which are deposited in the State School Fund shall be divided between Section A and Section B of the State School Fund, with 85 percent of these revenues to be credited to Section A of the fund exclusively for K-12 district regular apportionments and 15 percent to Section B of the fund exclusively for community college regular apportionments. The amounts accruing to the State School Fund under this section shall be disbursed fully before any General Fund transfers to Section A or Section B of the State School Fund are disbursed for regular apportionments.

SEC. 24.10. Notwithstanding the provisions of Section 1464 of the Penal Code, added by Chapter 530, Statutes of 1980, and Sections 42050 and 42052(a) of the Vehicle Code, as amended by Chapter 530, Statutes of 1980, and Section 41304 of the Education Code, the State Controller shall transfer the unencumbered balance in the Driver Training Penalty Assessment Fund on June 30, 1987, to the General Fund.

SEC. 24.30. (a) Notwithstanding any other provisions of law, the State Allocation Board shall, for the purpose of allocating funds available for the 1986–87 fiscal year pursuant to Chapter 24 (commencing with Section 17780) of Part 10 of the Education Code, first fully fund claims pursuant to Section 39619 of the Education Code, and then shall fund allocations authorized pursuant to Sections 39619.5, 39619.55, and 39619.8 of the Education Code.

(b) If, after apportioning funds pursuant to subdivision (a), there are funds still available pursuant to Chapter 24 (commencing with Section 17780) of Part 10 of the Education Code, the State Allocation Board shall apportion the remaining funds in accordance with subdivision (c).

(c) (1) School districts may submit applications to the State Allocation Board for deferred maintenance funding in addition to the amounts specified in Section 39619 of the Education Code. In order to be eligible for an additional apportionment, a school district shall comply with the provisions of paragraph (2).

(2) The school district shall certify that, if an additional apportionment is provided, the district will match the additional apportionment amount with an equal amount of district funds that have not been previously used as a match for state funds for deferred maintenance purposes. These matching funds shall be deposited in the District Deferred Maintenance Account established pursuant to Section 39618 of the Education Code.

SEC. 24.40. Notwithstanding any other provision of law, the State Allocation Board may make available to the Director of General Services up to $15,000,000 annually from the State School Building Lease-Purchase Fund to be utilized to purchase portable classrooms for the purposes of Section 17788 of the Education Code.

SEC. 24.60. From the funds appropriated in Items 6100-226-001, 6440-001-001, 6600-001-001, 6610-001-001, and 6860-001-001 and the funds provided for cost-of-living adjustments in Schedule (a) of Item 6870-101-001 of this act, the local education agencies through the Superintendent of Public Instruction, Regents of the University of California, Directors of Hastings College of the Law, Trustees of the California State University system, Board of Governors of the California Maritime Academy, and community college districts through the Chancellor shall report to the Governor and the Legislature no later than November 1, 1987, the amount of lottery funds which each entity received and the purposes for which the funds were expended in the 1986–87 fiscal year, including administrative costs and proposed expenditures and purposes for expenditure for 1987–88 fiscal year.

GENERAL GOVERNMENT

SEC. 26.00. No funds appropriated by this act shall be encumbered for the purpose of funding any increased state costs or local governmental costs, or both such costs, arising from the issuance of an executive order as defined in Section 17516 of the Government Code or in Section 2209 of the Revenue and Taxation Code or subject to the provisions of Section 6 of Article XIII B of the California Constitution, or of Section 2231 of the Revenue and Taxation Code, unless such funds to be encumbered are appropriated for such purpose.

SEC. 27.00. (a) Approval by the Department of Finance to the creation of deficiencies pursuant to Section 11006 or approval to expend at rates which, in the opinion of the Director of Finance, will require a deficiency appropriation shall not be made unless the approval is made in writing and filed with the Chairperson of the Joint Legislative Budget Committee and chairperson of the committee in each house which considers appropriations not later than 30 days prior to the effective date of the approval, except for an approval for an emergency expenditure or an approval which is due to caseload increases in Medi-Cal, Aid to Families with Dependent Children (AFDC), and Supplemental Security Income/State Supplementary Program (SSI/SSP). All notifications shall include (1) the date a deficiency request was received by the Department of Finance, (2) the reason for the proposed deficiency, and (3) the approved amount.

(b) Approval for any emergency expenditure shall be made in writing and filed with the Chairperson of the Joint Legislative Budget Committee and the chairperson of the committee in each house which considers appropriations not later than 10 days after the effective date of the approval. All notices shall state the reason for and amount of the deficiency.

As used in this section, "emergency expenditure" means an ex-

penditure incurred in response to conditions of disaster or extreme peril which threaten the health or safety of person or property within the state.

(c) The Department of Finance shall report quarterly to the Chairperson of the Joint Legislative Budget Committee and the fiscal committee of each house on the cumulative deficiency requests approved pursuant to subdivisions (a) and (b). The report shall contain the information required in subsections (1), (2), and (3) of subdivision (a). This report shall be filed within 15 days after the close of each fiscal quarter.

(d) The Department of Finance shall provide copies of all requests from agencies to spend at rates which will result in a deficiency appropriation to the Chairperson of the Joint Legislative Budget Committee and the chairperson of the committee in each house which considers appropriations. The department shall submit these copies within 10 days of receipt. The transmittal of this information to the Legislature shall not be construed by the requesting agency as approval of the deficiency request.

(e) For purposes for which the Governor previously vetoed funding, allocation of funds or authorization for deficiency expenditures shall not be made under the emergency provisions.

SEC. 28.00. (a) The Director of Finance may authorize the augmentation of the amount available for expenditure for any category or program in the schedule set forth for any appropriation in this act or any additional category or program in the amount of any funds which he or she estimates will be received by an officer, department, division, bureau, or other agency during the 1986–87 fiscal year from any other state agency, from any agency of local government or the federal government, from any appropriation made by the Legislature or from any other source which he or she determines has not been taken into consideration in the schedule or is in excess of the amount so taken into consideration.

(b) The Director of Finance may also reduce any category or program whenever he or she determines that funds to be received will be less than the amount taken into consideration in the schedule.

(c) The following augmentations or reductions may not be authorized sooner than 30 days after notification in writing of the necessity therefor to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may in each instance determine:

(1) Augmentations or reductions which either are (a) in excess of $100,000 or (b) are in excess of 10% of the amount available for expenditure in the affected category or program.

(2) Any other augmentations which the Director of Finance determines constitute an increase in the level of services above that authorized by this act or other existing law or are for a new program

not identified in this act as such.

(3) Any other reductions which the Director of Finance determines constitute a decrease in the level of service below that authorized by this act or other existing law.

(4) Any augmentation, regardless of the amount, for the purpose of funding a task force or advisory council created by executive order of the Governor.

(d) Any personnel action which is dependent on funds subject to the provisions of this section shall not be effective until after the provisions of this section have been complied with. Any authorization made pursuant to this section too late for inclusion in the Governor's Budget for the 1987–88 fiscal year shall remain in effect for such period as the director may determine in each instance, but in no event after June 30, 1988.

(e) All authorizations reported or requested under the provisions of this section shall include all of the following:

(1) A description of the proposed expenditure and identification of the statutory authority for the expenditure.

(2) A determination whether the expenditure, if federally funded, is specifically designed to be one-time, a continuing federal obligation, or one that the state is required (or expected) to fund at some future date.

(3) A determination whether the expenditure, if federally funded, supplements or replaces existing state expenditures.

(4) A determination whether the expenditure has previously been considered at some point in the legislative process and has been denied; and, if denied, for what reasons.

(f) All increased expenditures from department indirect cost funds in excess of the amount budgeted in this act or identified in a prior Section 28 notification are subject to the reporting requirements of this section.

SEC. 29.00. The Department of Finance shall calculate and publish a listing of total personnel-years and estimated salary savings for each department and agency. These listings shall be published by the Department of Finance at the same time as the publication of (a) the Governor's Budget, (b) the May revision and (c) the Final Change Book.

(a) The listing provided at the time of the publication of the Governor's Budget shall contain estimates of personnel-years for the prior year, current year, and budget year.

(b) The listing provided at the time of publication of the May revision shall contain estimates of personnel-years proposed for the budget year.

(c) The listing provided at the time of the publication of the Final Change Book shall contain estimates of personnel-years for the budget year just enacted.

SEC. 29.50. (a) The Director of Finance shall provide the Joint Legislative Budget Committee and the legislative fiscal committees

with a specified list of personal services contracts contained in the Governor's Budget that are proposed for the budget year. The Director of Finance shall also report personal service contracts proposed by departments, during the calendar year prior to the January 10th Governor's Budget, which are considered innovative and are for a new service not previously considered in the Legislature's review of previous Governor's Budgets.

(b) The reports set forth in subdivision (a) shall be submitted to the Joint Legislative Budget Committee and the legislative fiscal committees on or before January 10th of each year and shall include: (1) personal services contracts determined by the Department of Finance to be new or innovative; (2) the amount of the proposed contract; (3) the basis for the contract pursuant to Section 19130 of the Government Code; (4) the number of personnel-years to be eliminated or avoided if a contract is implemented; and (5) identification of the various contracts by agency and department.

SEC. 30.00. Section 13340 of the Government Code is amended to read:

13340. On and after July 1, 1987, no moneys in any fund which, by any statute other than a Budget Act, is continuously appropriated without regard to fiscal years, may be encumbered unless the Legislature, by statute, specifies that the moneys in the fund are appropriated for encumbrance.

SEC. 31.00. The appropriations under this act, unless otherwise provided, shall be subject to the provisions of Section 13320 of the Government Code and Article 2.5 (commencing with Section 13332) of Chapter 3 of Part 3 of Division 3 of Title 2 of the Government Code requiring expenditures to be made in accordance with the allotments and other provisions of fiscal year budgets approved by the Department of Finance.

The fiscal year budget shall authorize in such manner as the Department of Finance shall prescribe all established positions whose continuance for the year is approved and all new positions. No new position shall be established unless authorized by the Department of Finance on the basis of work program and organization.

The Director of Finance, or his or her authorized designee, shall notify the Chairperson of the Joint Legislative Budget Committee within 30 days of authorizing any position not authorized for that fiscal year by the Legislature or any reclassification to a position with a minimum step of $2,636 per month. He or she shall also report all transfers to blanket authorizations and the establishment of any permanent positions out of a blanket authorization.

All positions administratively established pursuant to this section during the 1986–87 fiscal year shall terminate on June 30, 1987, except that those positions which have been (a) included in the 1987–88 Governor's Budget as proposed new positions, or (b) approved by the Department of Finance and reported to the Legislature after the 1987–88 Governor's Budget submission to the Legislature, may be

reestablished by the Department of Finance during the 1987–88 fiscal year, provided these positions are shown in the 1988–89 proposed Governor's Budget submitted to the Legislature, or in subsequent Department of Finance letters to the Legislature, and provided that these positions do not result in establishment of positions deleted by the Legislature through the 1987–88 budget process.

Each fiscal year budget shall provide for a salary savings reserve to which shall be transferred on a document initiated by the agency the unencumbered balance remaining in each allotment for salaries and wages at the close of each quarter or other period of time covered by the allotment. A copy of this document shall be submitted to the Department of Finance upon request. The unencumbered balance remaining in each budget allotment for salaries and wages shall be computed by deducting from the amount of the allotment the expenditures and accrued obligations for salaries and wages chargeable to the allotment for the period covered thereby. The amount in the salary savings reserve shall not be available for ex penditure except upon transfer to allotments for salaries and wages approved by the Department of Finance. This transfer shall be approved only after it has been demonstrated to the satisfaction of the Department of Finance that the allotment to be augmented is insufficient to meet necessary expenditures for salaries and wages.

No money in any 1986–87 fiscal year appropriation not appropriated for that purpose may be expended for increases in salary ranges or any other employee compensation action(s) unless the Department of Finance certifies to the salary and other compensation-setting authority prior to the adoption of these action(s) that funds are available to pay the increased salary or employee compensation resulting therefrom. Prior to certification, the Department of Finance shall determine whether this increase in salary range or employee compensation action will require supplemental funding in the 1987–88 fiscal year. If the Department of Finance determines that supplemental funding will be required, no certification shall be issued unless notification in writing is given by the Department of Finance, at least 30 days before certification is made, to the chairman of the committee in each house which considers appropriations and the Chairman of the Joint Legislative Budget Committee, or such lesser time as the chairman of the joint committee, or his or her designee, determines.

A certification on a payroll claim that expenditures therein are in accordance with current budgetary provisions as approved by the Department of Finance shall be sufficient evidence to the State Controller that these expenditures comply with the provisions of this section.

Each agency, department, board, commission, and institution, for whose benefit and support appropriations are made in this act, shall certify to the Director of Finance that its expenditures have been made for the purposes stated in the budget, as implemented by the

Budget Act, except as the purposes stated have been revised, in accordance with law, by the Department of Finance subsequent to the enactment of the Budget Act.

SEC. 32.00. The officers of the various departments, boards, commissions and institutions, for whose benefit and support appropriations are made in this act, are expressly forbidden to make any expenditures in excess of such appropriations, except the consent of the Department of Finance be first obtained, and a certificate, in writing, duly signed by the director of said department, of the unavoidable necessity of such expenditure; and any indebtedness attempted to be created against the state in violation of the provisions of this section shall be absolutely null and void; and shall not be allowed by the State Controller nor paid out of any state appropriation. Any member of any such department, board, commission or institution, who shall vote for any expenditure, or create any indebtedness against the state in excess of the respective appropriations made by this act, except by the consent of the Department of Finance and the certificate in this section provided to be first obtained, shall be liable both personally and on his official bond for the amount of such indebtedness, to be recovered in any court of competent jurisdiction by the person or persons, firm or corporation to whom such indebtedness is owing.

The Department of Finance shall submit copies of certificates approved by it under this section to the Chairman of the Joint Legislative Budget Committee, and the chairman of the committee in each house which considers appropriations, quarterly, and shall indicate in the case of each certificate the code section or section of this act under which the department gave its consent to exceed the particular appropriation.

SEC. 33.00. If any item of appropriation in this act is vetoed, eliminated, or reduced by the Governor under Section 10 of Article IV of the Constitution, while approving portions of this act, such veto, elimination, or reduction shall not affect the other portions of this act, and these other portions of this act, so approved, shall have the same effect in law as if any vetoed or eliminated items of appropriation had not been present in this act, and as if any reduced item of appropriation had not been reduced.

SEC. 34.00. If any portion of this act is held unconstitutional, such decision shall not affect the validity of any other portion of this act. The Legislature hereby declares that it would have passed this act, and each portion thereof, irrespective of the fact that any other portion be declared unconstitutional.

SEC. 35.00. This act, inasmuch as it provides for an appropriation for the usual current expenses of the state, shall, under the provisions of Section 8 of Article IV of the Constitution of the State of California, take effect immediately.

SEC. 36.00. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the

meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

This act makes appropriations and contains related provisions for support of state and local government for the 1986–87 fiscal year and provides for capital outlay appropriations, in continuation of existing programs and to promote and sustain the economy of the state. It is imperative that these appropriations be available for expenditure commencing not later than July 1, 1986. It is therefore necessary that the act go into immediate effect.

INDEX BY BUDGET TITLE

SEC. 99.00. The following provides an index to the appropriations and related provisions of this act, by organization in alphabetical order, with the code number of the affected organization. The organization code is the first four numbers of any item number in this act. For ease of reference, the appropriation items in this act are organized in numerical order, and all of the appropriation items for any one organization are adjacent to one another.

Department	Organization Code
"A"	
Accountancy, Board of	1120
Acupuncture Advisory Committee	1400
Administrative Law, Office of	8910
Aging, Commission on	4180
Aging, Department of	4170
Agricultural Labor Relations Board	8300
Air Resources Board	3400
Alcohol and Drug Programs, Department of	4200
Alcoholic Beverage Control, Department of	2100
Alcoholic Beverage Control Appeals Board	2120
Alternative Energy Source Financing Authority, California	0971
Architectural Examiners, Board of	1130
Arts Council, California	8260
Assembly (See Legislature)	0120
Assistance to Counties for Defense of Indigents	8160
Athletic Commission, State	1140
Attorney Fees, Payment of Specified	9810
Auctioneer Commission, California	8540
Auditor General	0155
Automotive Repair, Bureau of	1150

Department	Organization Code
"B"	
Banking Department, State	2140
Barber Examiners, State Board of	1160
Behavioral Science Examiners, Board of	1170
Block Grants for Superior Court Judgeships, State	0440
Boards. See subject (e.g., Air Resources, Control, etc.)	
Boating and Waterways, Department of	3680
Business, Transportation and Housing, Secretary for	0520
"C"	
California/Mexico Affairs, Office of	0580
Cemetery Board	1180
Certified Shorthand Reporters Board	1520
Child Development Programs Advisory Committee	4220
Chiropractic Examiners, Board of	8500
Coastal Commission, California	3720
Coastal Conservancy, State	3760
Collection and Investigative Services, Bureau of	1200–1210
Colorado River Board of California	3460
Commerce, Department of	2200
Community Colleges, Board of Governors of the California	6870
Conservation, Department of	3480
Conservation Corps, California	3340
Construction and Repair of Local Streets and Roads	9675
Consumer Advisory Council	1650
Consumer Affairs, Total Department of	1110
Consumer Affairs, Department of	1655
Consumers Services, Division of	1640
Contingencies or Emergencies, Reserve for	9840
Contractors State License Board	1230
Contributions to. See subject (e.g., Judges' Retirement, Teachers' Retirement, etc.)	
Control, Board of	8700
Controller, State	0840
Corporations, Department of	2180
Corrections, Board of	5436
Corrections, Department of	5240
Cosmetology, Board of	1240
Councils. See subject (e.g., Arts, etc.)	
Criminal Justice Planning, Office of	8100

Department	Organization Code
"D"	
Debt Advisory Commission, California	0956
Debt Limit Allocation Committee, California	0959
Dental Examiners, Board of	1260–1270
Department of. See subject (e.g., Corrections, Food and Agriculture, etc.)	
Developmental Disabilities, Area Boards on	4110
Developmental Disabilities, State Council on	4100
Developmental Services, Department of	4300
Dispensing Opticians, Board of Medical Quality Assurance	1390
"E"	
Economic Development, Commission for	8200
Economic Opportunity, Office of	8915
Education, Department of	6100
Electronic and Appliance Repair, Bureau of	1280
Emergency Medical Services Authority	4120
Emergency Services, Office of	0690
Employment Development Department	5100
Energy, California Business and Industrial Development Corporation, State Assistance Fund for	3300
Energy Resources Conservation and Development Commission	3360
Equalization, State Board of	0860
Exposition and State Fair, California	8560
"F"	
Fabric Care, Board of	1320
Fair Employment and Housing Commission	1705
Fair Employment and Housing, Department of	1700
Fair Political Practices Commission	8620
Finance, Department of	8860
Fire Marshal, State	1710
Fish and Game, Department of	3600
Food and Agriculture, Department of	8570
Forestry, Department of	3540
Franchise Tax Board	1730
Funeral Directors and Embalmers, Board of	1330
"G"	
General Services, Department of	1760
Geologists and Geophysicists, Board of Registration for	1340

Department	Organization Code
Government Organization and Economy, Commission on California State	8780
Governor's Office	0500
Guide Dogs for the Blind, State Board of	1350
"H"	
Hastings College of Law	6600
Health and Welfare, Secretary for	0530
Health and Welfare Agency Data Center	4130
Health Benefits for Annuitants	9650
Health Services, Department of	4260
Hearing Aid Dispensers Examining Committee	1410
Highway Patrol, Department of the California	2720
Home Furnishings, Bureau of	1360
Homicide Trials, Payments to Counties for Costs of	8180
Horse Racing Board, California	8550
Housing and Community Development, Department of	2240
Housing Finance Agency, California	2260
"I"	
Industrial Development Financing Advisory Commission, California	0965
Industrial Relations, Department of	8350
Institutions (See Department of Corrections, Department of Health, etc.)	
Insurance, Department of	2290
"J"	
Joint Expenses (See Legislature)	0130
Judges' Retirement Fund, Contributions to	0390
Judicial	0250
Justice, Department of	0820
"L"	
Lands Commission, State	3560
Landscape Architects, Board of	1370
Law Revision Commission, California	8830
Legislative Counsel Bureau	0160
Legislature (See Assembly, Senate or Joint Expenses)	
Lieutenant Governor, Office of the	0750

Department	Organization Code
"M"	
Maritime Academy, California	6860
Master Plan for Higher Education, Commission for the Review of	6425
Medical Assistance Commission, California	4270
Medical Quality Assurance, Board of	1390–1460
Memberships for Council of Governments, National Conference of State Legislators	8800
Mental Health, Department of	4440
Military Department	8940
Mortgage Bond Allocation Committee, California	0968
Motor Vehicles, Department of	2740
Museum of Science and Industry	1100
"N"	
National Center for State Courts	0460
Native American Heritage Commission	8280
Nursing Home Administrators, Board of Examiners of	1470
"O"	
Occupational Information Coordinating Committee, California	6330
Office of. See subject (e.g., Emergency Services, Employee Relations, etc.)	
Optometry, Board of	1480
Osteopathic Examiners, Board of	8510
"P"	
Parks and Recreation, Department of	3790
Payment of Interest on General Fund Loans	9620
Peace Officer Standards and Training, Commission on	8120
Personnel Administration, Department of	8380
Personnel Board, State	1880
Personnel Services, Bureau of	1300
Petroleum Violation Escrow Account Program	9895
Pharmacy, Board of	1490
Physical Therapy Examining Committee	1420
Physician's Assistant Examining Committee	1430
Pilot Commissioners for the Bays of San Francisco, San Pablo and Suisun, Board of	8530
Planning and Research, Office of	0650

Department	Organization Code
Podiatry Examining Committee	1440
Political Reform Act of 1974	8640
Pollution Control Financing Authority, California	0974
Polygraph Examiners Board	1495
Postsecondary Education Commission, California	6420
Prison Terms, Board of	5440
Professional Engineers, Board of Registration for	1500
Psychology Examining Committee	1450
Public Defender, State	8140
Public Employees' Retirement System	1900
Public Employment Relations Board	8320
Public Utilities Commission	8660

"R"

Real Estate, Department of	2320
Registered Nursing, Board of	1510
Rehabilitation, Department of	5160
Reserve for Contingencies or Emergencies	9840
Resources, Secretary for	0540
Resources Programs, Special	3110
Respiratory Care Examining Committee	1455

"S"

Salaries of Superior Court Judges	0420
San Francisco Bay Conservation and Development Commission	3820
Santa Monica Mountains Conservancy	3810
Savings and Loan, Department of	2340
School Facilities Aid Program	6350
Secretary of State	0890
Seismic Safety Commission	3580
Senate (See Legislature)	0110
Social Services, Department of	5180
Special Resources Programs	3110
Special Transportation Programs	2640
Speech Pathology and Audiology Examining Committee	1460
State. See subject (e.g., Controller, Treasurer, etc.)	
State and Consumer Services, Secretary for	0510
State Finance, Commission on	8730
State Mandates, Commission on	8885
Statewide Health Planning and Development, Office of	4140
Status of Women, Commission on the	8820

Department	Organization Code
Stephen P. Teale Data Center	2780
Structural Pest Control Board	1530
Student Aid Commission	7980

"T"

Tahoe Conservancy, California	3125
Tax Preparers Program	1540
Tax Relief	9100
Teacher Credentialing, Commission on	6360
Teachers' Retirement Fund, Contributions to	6300
Teachers' Retirement System, State	1920
Tort Liability Claims, Administration and Payment of	8190
Traffic Safety, Office of	2700
Transportation, Department of	2660
Transportation Commission, California	2600
Treasurer, State	0950

"U"

Unallocated Appropriation	9050
Unallocated Capital Outlay	9860
Uniform State Laws, Commission on	8840
Uninsured Employers Fund	8350
University, California State	6610
University of California	6440

"V"

Veterans Affairs, Department of	1960
Veteran's Home of California	1970
Veterinary Medicine, Board of Examiners in	1560–1570
Vocational Education, California State Council on	6320
Vocational Nurse and Psychiatric Technician Examiners, Board of	1590–1600

"W"

Waste Management Board, California	3380
Water Resources, Department of	3860
Water Resources Control Board, State	3940
Wildlife Conservation Board	3640
Workers' Compensation Benefits for Subsequent Injuries	8450
Workers' Compensation for Disaster Service Workers	8460
World Trade Commission, California State	0585

Department	Organization Code
"Y"	
Youth and Adult Correctional Agency, Secretary for	0550
Youth Authority, Department of the	5460
Youthful Offender Parole Board	5450

INDEX FOR CONTROL SECTIONS

SEC. 99.50. The following is an index to the general sections of this act. These sections serve to define terms and restrictions on the appropriations contained herein.

1.00	Budget Act Citation
1.50	Intent and Format
2.00	Appropriations
3.00	Defines terms
3.50	Benefit Charges against Salaries and Wages
3.60	Contribution to Public Employees' Retirement Benefits
4.00	Health Benefits Contribution
4.20	Contribution to Public Employees' Contingency Reserve Fund
5.00	Attorneys Fees
5.50	Contract Approvals
6.00	Alterations limits
6.50	Intraschedule transfers
7.20	Discretionary Insurance Funds
7.50	Appropriation Augmentations
8.50	Federal Funds Receipts
8.51	Federal Funds Accounts
9.00	Supplemental Report
9.20	Administrative Costs associated with the acquisition of property
11.50	Transfers pursuant to Section 6217 of the Public Resources Code
11.51	Transfer to Energy and Resources Fund
11.52	Transfer of Capital Outlay Fund for Public Higher Education
12.00	Appropriations limits
12.30	Special Fund for Economic Uncertainties
12.31	Department of Finance—Monthly Fiscal Updates to Legislature
12.50	Special Funds Reserves
13.00	Legislative Counsel Bureau
15.00	Timely Submission of Year-end Reports to Controller
18.10	Concession Contracts, Lease, and Operating Agreements
21.00	Federal Block Grants
22.00	Set-aside Appropriation for Future GAIN Expenditures
24.00	State School Fund Allocations

24.10 Transfer Surplus of Driver Training Penalty Assessment Fund to the General Fund
24.30 State Allocation Board
24.40 Purchase of Emergency Classrooms
24.60 Report of Lottery Funds Received
26.00 State or Local Cost Executive Order Restrictions
27.00 Deficiency Reporting Requirements
28.00 Program Change Notification
29.00 Personnel Year Estimates of May Revise and Fiscal Change Book
29.50 Reporting Personal Services Contracts
30.00 Continuous Appropriations
31.00 Budget Act Administrative Procedures
32.00 Prohibits Excess Expenditures
33.00 Item Veto Severability
34.00 Constitutional Severability
35.00 Provides that Budget Act is for Usual and Current Expenses
36.00 Urgency Statute
99.00 Alphabetical Organization Index
99.50 Numerical Section Index

CHAPTER 187

An act to amend Section 20231.5 of the Public Contract Code, relating to transit districts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 24, 1986. Filed with Secretary of State June 25, 1986]

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

SECTION 1. Section 20231.5 of the Public Contract Code is amended to read:

20231.5. (a) The Legislature finds and declares that the award of purchase contracts by the Southern California Rapid Transit District under competitive bid procedures may not be feasible for products and materials which are undergoing rapid technological changes or for the introduction of new technologies into district operations, and that in these circumstances it is in the public interest to consider the broadest possible range of competing products and materials available, fitness of purpose, manufacturer's warranty, and other similar factors in addition to price in the award of these contracts.

(b) This section applies only to the purchase by the district of computers, telecommunications equipment, fare collection equipment, microwave equipment, and other related electronic equipment and apparatus, and of rail cars. This section does not apply to contracts for construction or for the procurement of any product available in substantial quantities to the general public.

(c) The board may, after a finding by a two-thirds vote that a particular procurement qualifies under subdivision (b), direct that the procurement be conducted through competitive negotiation under this section. For purposes of this section, competitive negotiation includes, but is not limited to, all of the following requirements:

(1) The request for proposals shall be prepared and submitted to an adequate number of qualified sources, as determined by the board, to permit reasonable competition consistent with the nature and requirements of the procurement. In addition, notice of the request for proposals shall be published at least twice in a newspaper of general circulation, at least 10 days before the date for receipt of the proposals.

(2) The request for proposals shall identify all significant evaluation factors, including price, and their relative importance.

(3) The board shall provide reasonable procedures for technical evaluation of the proposals received, identification of qualified sources, and selection for contract award.

(4) Award shall be made to the qualified proposer whose proposal will be most advantageous to the district, with price and all other factors considered.

(d) The board may reject any and all proposals and request new proposals, at its discretion.

(e) Upon making an award to a qualified proposer, the board, upon request, shall make available to all other proposers and to the public, an analysis of the award which provides the basis for the selection of that particular qualified proposal.

(f) Any proposer may protest any acquisition conducted in accordance with this section by filing with the district, within 10 days after receiving notice of the recommended award, exclusive of Saturdays and Sundays, a full and complete written statement specifying in detail the grounds of the protest and the facts supporting the protest, and shall be granted an opportunity to appear and be heard before the board prior to the final award.

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

In order to facilitate the acquistion by the Southern California Rapid Transit District of rail cars required for the commencement of the district's Metro Rail project, it is necessary that this act take effect immediately.

CHAPTER 188

An act to amend Section 36503.5 of the Government Code, and to add Section 23302.1 to the Elections Code, relating to elections.

[Approved by Governor June 24, 1986 Filed with Secretary of State June 25, 1986.]

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

SECTION 1. Section 23302.1 is added to the Elections Code, to read:

23302.1. (a) This section applies only to special districts electing members of the governing body in November of odd-numbered years. As used in this section, "special district" means an agency of the state formed pursuant to general law or special act, for the local performance of governmental or proprietary functions within limited boundaries, except a city, county, city and county, school or community college district, or special assessment district.

(b) Notwithstanding any other provision of law, a governing body of a special district may, by resolution, require that its elections of governing body members be held on the same day as the statewide general election. The resolution setting the election shall also include dates that are consistent with the primary or general election with respect to nominations, notices, canvass of votes, certification of election, and all other procedural requirements of the Elections Code pertaining to the primary or general election. The resolution shall be submitted to the board of supervisors no later than 240 days prior to the date of the currently scheduled district election. The board of supervisors shall notify all districts located in the county of the receipt of the resolution to consolidate and shall request input from each district on the effect of consolidation. The election official shall prepare and transmit to the board of supervisors an impact analysis of the proposed consolidation.

The board of supervisors, within 60 days from the date of submission, shall approve the resolution unless it finds that the ballot style, voting equipment, or computer capacity is such that additional elections or materials cannot be handled. The votes of the districts affected by the consolidation shall be notified at the district's expense of the approval of the resolution by the board of supervisors. Public notices of the proceedings in which the resolution is to be considered for adoption shall be made pursuant to Section 25151 of the Government Code. If a special district is located in more than one county the special district may not consolidate an election if any county in which the special district is located denies the request for consolidation.

(c) If, pursuant to subdivision (b), an election is held on the same day as the statewide general election, those governing body members whose terms of office would have, prior to the adoption of

the resolution, expired prior to that election shall, instead, continue in their offices until their successors are elected and qualified, but in no event shall the term be extended more than one year.

(d) If a governing body adopts a resolution pursuant to subdivision (b), the elections following the adoption of the ordinance shall be held on the same day as the statewide general election, unless the resolution in question is later repealed by the governing body.

SEC. 2. Section 36503.5 of the Government Code is amended to read:

36503.5. (a) A city council may enact an ordinance requiring its general municipal election to be held on the same day as the statewide direct primary election, the day of the statewide general election, or on the day of school district elections, as set forth in Section 2602 of the Elections Code. Any ordinance adopted pursuant to this subdivision shall become operative upon the approval of the board of supervisors. An ordinance shall be approved by the board of supervisors unless the ballot style, voting equipment, or computer capability is such that additional elections or materials cannot be handled.

(b) As the result of the adoption of an ordinance pursuant to this section, no term of office shall be increased or decreased by more than 12 months.

(c) If an election is held pursuant to subdivision (a), and the election is consolidated with another election, Part 2.5 (commencing with Section 23300) of Division 14, except Section 23302, of the Elections Code shall govern the consolidation, and, if the county clerk is requested to conduct the municipal election, Section 22003 of the Elections Code shall be applicable to that election.

(d) If, pursuant to subdivision (a), a general municipal election is held on the same day as a statewide election or the same day as a school district election, those city officers whose terms of office would have, prior to the adoption of the ordinance, expired on the Tuesday succeeding the second Tuesday in April of an even-numbered year, shall, instead, continue in their offices until no later than the fourth Tuesday after the day of the general municipal election, and until their successors are elected and qualified.

(e) Within 30 days after the ordinance becomes operative pursuant to subdivision (a), the city clerk shall cause a notice to be mailed to all registered voters informing the voters of the change in the election date. The notice shall also inform the voters that as a result in the change in the election date, elected city officeholders' terms in office will be changed.

(f) If a city adopts an ordinance pursuant to subdivision (a), the municipal election following the adoption of the ordinance and each municipal election thereafter shall be conducted on the date specified by the city council, in accordance with subdivision (a), unless the ordinance in question is later repealed by the city council.

If the date of a general municipal election is changed pursuant to

this section, at least one election shall be held before the ordinance, as approved by the board of supervisors, may be subsequently repealed or amended.

SEC. 3. Reimbursement to local agencies and school districts for costs mandated by the state pursuant to this act shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code and, if the statewide cost of the claim for reimbursement does not exceed five hundred thousand dollars ($500,000), shall be made from the State Mandates Claims Fund.

CHAPTER 189

An act to add Section 50076.5 to the Government Code, relating to public finance.

[Approved by Governor June 24, 1986 Filed with Secretary of State June 25, 1986]

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

SECTION 1. Section 50076.5 is added to the Government Code, to read:

50076.5. (a) In any judicial action or proceeding to validate, attack, review, set aside, void, or annul any ordinance or resolution providing for the imposition of a development fee by any city, county, or district in which there is at issue whether the development fee is a special tax within the meaning of Section 50076, the city, county, or district has the burden of producing evidence to establish that the development fee does not exceed the cost of the service, facility, or regulatory activity for which it is imposed.

(b) No party may initiate any action or proceeding pursuant to subdivision (a) unless both of the following requirements are met:

(1) The development fee was directly imposed on the party as a condition of project approval.

(2) At least 30 days prior to initiating the action or proceeding, the party requests the city, county, or district to provide a copy of the documents which establish that the development fee does not exceed the cost of the service, facility, or regulatory activity for which it is imposed. In accordance with Section 6257, the city, county, or district may charge a fee for copying the documents requested pursuant to this paragraph.

(c) For purposes of this section, costs shall be determined in accordance with fundamental fairness and consistency of method as to the allocation of costs, expenses, revenues, and other items included in the calculation.

CHAPTER 190

An act to amend Sections 54990, 65803, and 65863.7 of the Government Code, relating to planning and zoning, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 24, 1986. Filed with Secretary of State June 25, 1986.]

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

SECTION 1. Section 54993 of the Government Code is amended to read:

54993. This chapter shall apply only to fees and charges as described in Sections 35103, 35104, 54776.3, 54990, 54991, 56132, 56133, 56291.5, 65250, 65551, 65863.7, 65909.5, and 66451.2 of this code, and in Sections 17951, 19132.3, and 19852 of the Health and Safety Code.

SEC. 1.5. Section 65803 of the Government Code is amended to read:

65803. Except as otherwise provided, this chapter shall not apply to a charter city, except to the extent that the same may be adopted by charter or ordinance of the city.

SEC. 2. Section 65863.7 of the Government Code is amended to read:

65863.7. (a) Prior to the conversion of a mobilehome park to another use, except pursuant to the Subdivision Map Act (Division 2 (commencing with Section 66410) of Title 7), or prior to closure of a mobilehome park or cessation of use of the land as a mobilehome park, the person or entity proposing the change in use shall file a report on the impact of the conversion, closure, or cessation of use upon the displaced residents of the mobilehome park to be converted or closed. In determining the impact of the conversion, closure, or cessation of use on displaced mobilehome park residents, the report shall address the availability of adequate replacement housing in mobilehome parks and relocation costs.

(b) The person proposing the change in use shall provide a copy of the report to a resident of each mobilehome in the mobilehome park at least 15 days prior to the hearing, if any, on the impact report by the advisory agency, or if there is no advisory agency, by the legislative body.

(c) When the impact report is filed prior to the closure or cessation of use, the person or entity proposing the change shall provide a copy of the report to a resident of each mobilehome in the mobilehome park at the same time as the notice of the change is provided to the residents pursuant to paragraph (2) of subdivision (f) of Section 798.56 of the Civil Code.

(d) When the impact report is filed prior to the closure or cessation of use, the person or entity filing the report or park resident may request, and shall have a right to, a hearing before the legislative

body on the sufficiency of the report.

(e) The legislative body, or its delegated advisory agency, shall review the report, prior to any change of use, and may require, as a condition of the change, the person or entity to take steps to mitigate any adverse impact of the conversion, closure, or cessation of use on the ability of displaced mobilehome park residents to find adequate housing in a mobilehome park. The steps required to be taken to mitigate shall not exceed the reasonable costs of relocation.

(f) If the closure or cessation of use of a mobilehome park results from an adjudication of bankruptcy, the provisions of this section shall not be applicable.

(g) The legislative body may establish reasonable fees pursuant to Chapter 13 (commencing with Section 54990) of Part 1 of Division 2 of Title 5 to cover any costs incurred by the local agency in implementing this section. Those fees shall be paid by the person or entity proposing the change in use.

(h) This section is applicable to charter cities.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because self-financing authority is provided in Section 65863.7 of the Government Code to cover any costs that may be incurred in carrying on any program or performing any service required to be carried on or performed by this act.

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

It is anticipated that there will be many mobilehome park closures in charter cities in the near future and thousands of mobilehome owners may be displaced. This act will provide some remedy for the situation, and it is necessary that this act take effect immediately.

CHAPTER 191

An act to add Section 56863 to the Food and Agricultural Code, relating to produce markets.

[Approved by Governor June 24, 1986. Filed with Secretary of State June 25, 1986]

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

SECTION 1. Section 56863 is added to the Food and Agricultural Code, to read:

56863. This chapter does not apply to any market in Los Angeles County.

CHAPTER 192

An act to amend Section 42005 of the Vehicle Code, relating to traffic violator schools, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 24, 1986. Filed with Secretary of State June 25, 1986.]

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

SECTION 1. Section 42005 of the Vehicle Code is amended to read:

42005. (a) The court may order any person convicted of a traffic violation to attend a traffic violator school licensed pursuant to Chapter 1.5 (commencing with Section 11200) of Division 5.

(b) In lieu of adjudicating a traffic offense, and with the consent of the defendant, or after conviction of a traffic offense, the court may order any person issued a notice to appear for a traffic violation to attend a traffic violator school licensed pursuant to Chapter 1.5 (commencing with Section 11200) of Division 5.

(c) Except as otherwise provided in subdivision (d), any person so ordered may choose the traffic violator school the person will attend. The court shall make available to each person subject to such an order the current list of traffic violator schools published by the department pursuant to Section 11205.

(d) In those counties where prior to January 1, 1985, one or more individual courts, or the county acting on behalf of one or more individual courts, contracted for the provision of instructional services to traffic violators referred by the court pursuant to a pretrial diversion program, the courts may restrict referrals under this section to those schools for traffic violators or licensed driving schools which are under contract with the court or with the county to provide instructional services for persons referred pursuant to subdivision (a).

A county described in Section 28023 of the Government Code may continue to provide the program authorized by this section in accordance with the provisions of current and future contracts as may be amended and approved by the individual courts within that county and the county shall be exempt from state regulations relative to maximum classroom attendance.

(e) Any person who willfully fails to comply with a court order to attend traffic violator school is guilty of a misdemeanor.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

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

In order to provide the courts with an expedient means of prosecuting violators of its order to attend traffic violator school, it is necessary for this act to take effect immediately.

CHAPTER 193

An act to amend Sections 17024.5 and 23051.5 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor June 24, 1986. Filed with Secretary of State June 25, 1986.]

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

SECTION 1. Section 17024.5 of the Revenue and Taxation Code is amended to read:

17024.5. (a) (1) Unless otherwise specifically provided, the term "Internal Revenue Code," for purposes of this part, means Title 26 of the United States Code, including all amendments thereto as enacted on the specified date for the applicable taxable year as follows:

Taxable Year	Specified Date of Internal Revenue Code Sections
(A) For taxable years beginning on or after January 1, 1983, and on or before December 31, 1983	January 15, 1983
(B) For taxable years beginning on or after January 1, 1984, and on or before December 31, 1984	January 1, 1984
(C) For taxable years beginning on or after January 1, 1985, and on or before December 31, 1985	January 1, 1985
(D) For taxable years beginning on or after January 1, 1986	January 1, 1986

(2) (A) The provisions contained in Sections 41–44, inclusive, and 172 of the Tax Reform Act of 1984 (Public Law 98-369), relating to treatment of debt instruments, shall not be applicable.

(B) The provisions contained in Public Law 99-121, relating to the treatment of debt instruments, shall not be applicable.

(3) Unless otherwise specifically provided, the following shall ap-

ply:

(A) Any provision of the Internal Revenue Code which becomes operative on or after the specified date shall also become operative on the same date for purposes of this part.

(B) Any provision of the Internal Revenue Code which becomes inoperative on or after the specified date, shall also become inoperative on the same date for purposes of this part.

(b) Unless otherwise specifically provided, when applying any section of the Internal Revenue Code for purposes of this part, any provision therein relating to any of the following shall not be applicable for purposes of this part:

(1) An electing small business corporation, as defined in Section 1361(b) of the Internal Revenue Code.

(2) Domestic international sales corporations (DISC), as defined in Section 992(a) of the Internal Revenue Code.

(3) A personal holding company, as defined in Section 542 of the Internal Revenue Code.

(4) A foreign personal holding company, as defined in Section 552 of the Internal Revenue Code.

(5) A foreign investment company, as defined in Section 1246(b) of the Internal Revenue Code.

(6) A foreign trust, as defined in Section 679 of the Internal Revenue Code.

(7) Foreign taxes and foreign tax credits.

(8) Section 911 of the Internal Revenue Code, relating to United States citizens living abroad.

(9) A foreign corporation, except that Section 367 of the Internal Revenue Code shall be applicable.

(10) A separate tax on lump-sum distributions imposed by Section 402(e) of the Internal Revenue Code.

(11) Credits and credit carryovers.

(12) Nonresident aliens.

(13) "Short-term" and "long-term" capital gain or loss, or the deduction for capital gains allowed by Section 1202 of the Internal Revenue Code (see Section 18162.5 for amounts includable in income for purposes of this part).

(14) Section 179 of the Internal Revenue Code property.

(15) Deduction for personal exemptions, as provided in Section 151 of the Internal Revenue Code.

(16) The deduction for the two-earner married couples as allowed by Section 221 of the Internal Revenue Code.

(17) The tax on generation-skipping transfers imposed by Section 2601 of the Internal Revenue Code.

(18) The tax, relating to estates, imposed by Section 2001 or 2101 of the Internal Revenue Code.

(c) When applying the Internal Revenue Code for purposes of this part, any reference to regulations prescribed by "the secretary" shall not be applicable if the Franchise Tax Board has adopted and issued regulations. In the absence of regulations issued by the Fran-

chise Tax Board, regulations issued by "the secretary" in effect as of the specified effective date of the Internal Revenue Code sections referred to in subdivision (a) shall be applicable to the extent that they do not conflict with this part.

(d) Whenever this part allows a taxpayer to make an election, the following rules shall apply:

(1) A proper election filed in accordance with the Internal Revenue Code or regulations issued by "the secretary" shall be deemed to be a proper election for purposes of this part, unless otherwise provided in this part or in regulations issued by the Franchise Tax Board.

(2) A copy of that election shall be furnished to the Franchise Tax Board upon request.

(3) To obtain treatment other than that elected for federal purposes, a separate election shall be filed with the Franchise Tax Board.

(e) Whenever this part allows or requires a taxpayer to file an application or seek consent, the rules set forth in subdivision (d) shall be applicable with respect to any such application or consent.

(f) When applying the Internal Revenue Code for purposes of determining the statute of limitations under this part, any reference to a period of three years shall be modified to read four years for purposes of this part.

(g) Unless otherwise specifically provided, when applying any section of the Internal Revenue Code for purposes of this part, any reference to the "secretary" shall mean the "Franchise Tax Board."

(h) Unless otherwise specifically provided, when applying any section of the Internal Revenue Code for purposes of this part, any reference to "adjusted gross income" (AGI) shall mean the amount computed as adjusted gross income, in accordance with Section 17072, on the California income tax return for the same taxable year.

SEC. 2. Section 23051.5 of the Revenue and Taxation Code is amended to read:

23051.5. (a) Unless otherwise specifically provided, the term "Internal Revenue Code" or "Internal Revenue Code of 1954," for purposes of this part, means Title 26 of the United States Code, including all amendments thereto, in effect on the specified date for the applicable taxable year as defined in subdivision (a) of Section 17024.5, except that for purposes of this part, "income year" shall be substituted for "taxable year" throughout that section.

(b) (1) The provisions contained in Sections 41 to 44, inclusive, and 172 of the Tax Reform Act of 1984 (Public Law 98-369), relating to treatment of debt instruments shall not be applicable.

(2) The provisions contained in Public Law 99-121, relating to the treatment of debt instruments, shall not be applicable.

SEC. 3. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect.

CHAPTER 194

An act to amend Section 41960.3 of the Health and Safety Code, relating to air pollution.

[Approved by Governor June 24, 1986. Filed with Secretary of State June 25, 1986]

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

SECTION 1. Section 41960.3 of the Health and Safety Code is amended to read:

41960.3. (a) Each district which requires the installation of systems for the control of gasoline vapors resulting from motor vehicle fueling operations shall establish a toll free telephone number for use by the public in reporting problems experienced with the systems. Districts within an air basin or adjacent air basin may enter into a cooperative program to implement this requirement. All complaints received by a district shall be recorded on a standardized form which shall be established by the state board, in consultation with districts, the State Fire Marshal, and the Division of Measurement Standards in the Department of Food and Agriculture.

The operating instructions required by Section 41960.4 shall be posted at all service stations at which systems for the control of gasoline vapors resulting from motor vehicle fueling operations are installed and shall include a prominent display of the toll free telephone number for complaints in the district in which the station is located.

(b) Upon receipt of each complaint, the district shall diligently either investigate the complaint or refer the complaint for investigation by the state or local agency which properly has jurisdiction over the primary subject of the complaint. When the investigation has been completed, the investigating agency shall take such remedial action as is appropriate and shall advise the complainant of the findings and disposition of the investigation. A copy of the complaint and response to the complaint shall be forwarded to the state board.

SEC. 2. Reimbursement to local agencies and school districts for costs mandated by the state pursuant to this act shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code and, if the statewide cost of the claim for reimbursement does not exceed five hundred thousand dollars ($500,000), shall be made from the State Mandates Claims Fund.

CHAPTER 195

An act to add Sections 61600, 61625, 61626, and 61715 to, to repeal Chapter 2 (commencing with Section 4100) of Division 5 of Title 1 of, the Government Code, to add Sections 4080, 4081, 4131, 4137, 5820, 5900.5, 5900.6, 5900.7, 5910, 5950, 6075, 6077.5, 6273, 6295, 6301, 6302, 6303, 6304, 6864, 6895, 6901, 6902, 6903, 6904, 7149, 7153, 7154, 7155, and 7156 to the Harbors and Navigation Code, to add Sections 4602.4, 4602.5, 4636, 4741, 4885, 6512, 13852, 13867, and 13868 to the Health and Safety Code, to amend the heading of Article 17 (commencing with Section 20310) of Chapter 1 of Part 3 of Division 2 of, to amend Sections 20381, 20421, 20422, and 20852 of, to add Chapter 4 (commencing with Section 4100) to Part 1 of Division 2 of, and to repeal Sections 20202.3, 20202.4, 20203.1, 20203.2, 20203.3, 20401, 20408, 20493, 20494, 20495, 20542, 20543, 20681, 20683, 20684, 20686, 20691, 20692, 20697, 20698, 20711, 20712, 20713, 20714, 20715, 20716, 20721, 20722, 20731, 20732, 20733, 20734, 20735, 20752, 20754, 20755, 20756, 20757, 20758, 20763, 20765, 20766, 20767, 20768, 20769, 20781, 20792, 20802, 20811, 20812, 20813, 20821, 20822, 20825, 20831, 20833, 20834, 20835, 20841, 20844, 20845, 20846, 20847, 20851, 20860, 20861, 20862, 20863, 20864, 20865, 20866, 20875, 20881, 20882, 20883, 20884, 20885, 20891, 20892, 20899, 20911, 20912, and 20913 of, and to repeal Article 22 (commencing with Section 20360) of Part 3 of Division 2 of, the Public Contract Code, to add Sections 16461, 16463, 16464, 16465, 16466, 130231, 130232, 130233, 130234, 130235, 130236, 130237, 130238, and 130239 to the Public Utilities Code, and to add Sections 1320, 1331, 5820, 5835, 5835.1, 5835.2, 5835.3, 5896.1, 5896.2, 5896.9, 5896.10, 5896.11, 6760, 6764, 6772, 6780, 6781, 6782, 6783, 6784, 6785, 6794, 10506, 10507, 10508, 19002, 19165, 19165.1, 19166, 22006, 22110, 22679, 25261, 25262, 27164, 27170, and 27173 to the Streets and Highways Code, relating to public contracts.

[Approved by Governor June 26, 1986 Filed with Secretary of State June 27, 1986]

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

SECTION 1. It is the intent of the Legislature to retransfer the provisions which state the powers of the affected local entities from the Public Contract Code to the codes where these provisions originated.

Consistent with the intent in transferring these and other sections back to the Public Contract Code, it is not the intent of the Legislature, in retransferring these sections, to effect any substantive change in the law as it existed prior to the initial transfer to the Public Contract Code.

SEC. 1.3. Chapter 2 (commencing with Section 4100) of Division 5 of Title 1 of the Government Code is repealed.

SEC. 1.5. Section 61600 is added to the Government Code, to

read:

61600. A district formed under this law may exercise the powers granted for any of the following purposes designated in the petition for formation of the district and for any other of the following purposes that the district shall adopt:

(a) To supply the inhabitants of the district with water for domestic use, irrigation, sanitation, industrial use, fire protection, and recreation.

(b) The collection, treatment, or disposal of sewage, waste, and storm water of the district and its inhabitants.

(c) The collection or disposal of garbage or refuse matter.

(d) Protection against fire.

(e) Public recreation by means of parks, including, but not limited to, aquatic parks and recreational harbors, playgrounds, golf courses, swimming pools, or recreation buildings.

(f) Street lighting.

(g) Mosquito abatement.

(h) The equipment and maintenance of a police department or other police protection to protect and safeguard life and property.

(i) To acquire sites for, construct, and maintain library buildings, and to cooperate with other governmental agencies for library service.

(j) The opening, widening, extending, straightening, surfacing, and maintaining, in whole or in part, of any street in the district, subject to the consent of the governing body of the county or city in which the improvement is to be made.

(k) The construction and improvement of bridges, culverts, curbs, gutters, drains, and works incidental to the purposes specified in subdivision (j), subject to the consent of the governing body of the county or city in which the improvement is to be made.

(*l*) The conversion of existing overhead electric and communication facilities to underground locations, which facilities are owned and operated by either a "public agency" or a "public utility," as defined in Section 5896.2 of the Streets and Highways Code, and to take proceedings for and to finance the cost of the conversion in accordance with Chapter 28 (commencing with Section 5896.1) of Part 3 of Division 7 of the Streets and Highways Code, subject to the consent of the public agency or public utility responsible for the owning, operation, and maintenance of the facilities. Nothing in this section gives a district formed under this law the power to install, own, or operate the facilities that are described in this subdivision.

(m) To contract for ambulance service to serve the residents of the district as convenience requires, if a majority of the voters in the district, voting in an election thereon, approve.

(n) To provide and maintain public airports and landing places for aerial traffic.

(o) To provide transportation services.

SEC. 2. Section 61625 is added to the Government Code, to read:

61625. A district may construct any works along, under, or across any street, road, highway, or other property devoted to a public use subject to consent of the governing body in charge of the public use.

SEC. 3. Section 61626 is added to the Government Code, to read:

61626. A district may enter into an agreement with any public or private corporation whereby any work or improvement may be operated and maintained by the corporation. The authority to enter into an agreement is conditioned upon a finding by the board that the residents of the district would be better served by that operation and maintenance.

SEC. 4. Section 61715 is added to the Government Code, to read:

61715. Whenever, in the opinion of the board, the public interest or convenience may require, it may order to be done in, under, or upon the whole or any portion of any one or more of the streets or public places of the district, or any property or rights-of-way owned by the district, any work or improvement which the district is authorized to do and provide that the cost thereof shall be assessed upon the lots and lands fronting on the streets or public places, or upon any district to be assessed therefor, which district need not be composed of lands contiguous to each other. The Improvement Act of 1911, the Municipal Improvement Act of 1913, and the Improvement Bond Act of 1915 are applicable to districts.

SEC. 5. Section 4080 is added to the Harbors and Navigation Code, to read:

4080. Whenever funds necessary for any improvement, development, or protection for which bonds have been voted, are in the county treasury, the commission shall carry into effect the improvement, development, or protection of the harbor. The board of supervisors may sell only that portion of the authorized bonds that will provide funds as they are needed to carry on the work.

SEC. 6. Section 4081 is added to the Harbors and Navigation Code, to read:

4081. The improvement, development, or protection of any harbor, and all work, labor, or service employed therein, shall be under the control and management of the commission.

SEC. 7. Section 4131 is added to the Harbors and Navigation Code, to read:

4131. Any county may improve, develop, protect, and maintain one or more or all of the harbors within its boundaries, upon the conditions, in accordance with the procedure, and in the manner provided in this article and in the Public Contract Code.

SEC. 8. Section 4137 is added to the Harbors and Navigation Code, to read:

4137. The work of improving, developing, or protecting the harbor, whether the moneys therefor are the proceeds of the sale of bonds of the county or of a tax levy, shall be done under the control and management of the harbor commission pursuant to applicable provisions of law, including the provisions of the Public Contract Code and the preceding articles of this chapter, which latter

provisions are incorporated herein to the extent that they are not inconsistent herewith.

SEC. 9. Section 5820 is added to the Harbors and Navigation Code, to read:

5820. Any portion of a county in this state, the exterior boundaries of which include a bay, harbor, inlet, or navigable water of the Pacific Ocean, may be formed into a district for the improvement or development of a harbor.

The work may include the dredging of channels, shipways, ship berths, anchorage places, and turning basins, and the construction of jetties, breakwaters, bulkheads, seawalls, wharves, ferry slips, and warehouses.

SEC. 10. Section 5900.5 is added to the Harbors and Navigation Code, to read:

5900.5. The board may borrow money and incur indebtedness and issue bonds or other evidence of the indebtedness in the manner, and to the extent, deemed necessary by the board for further improvement and development of the harbor. The board also may do any other acts, and exercise any other powers, which may be necessary or convenient for the full exercise of the powers specifically granted by this part.

SEC. 11. Section 5900.6 is added to the Harbors and Navigation Code, to read:

5900.6. When any improvement or development work done under the authority of the board is completed, the maintenance, management, and control of the work done, and of the harbor as so improved, shall pass to and be vested in the board. The board may employ and pay all necessary agents, servants, and employees to manage, maintain, and control the harbor.

SEC. 12. Section 5900.7 is added to the Harbors and Navigation Code, to read:

5900.7. If any portion of the harbor is situated within the boundaries of any incorporated city, the board of supervisors may enter into arrangements or contracts with the governing body of that city, upon such terms as may be agreed upon, for the purchase and maintenance of fireboats, patrol boats, sanitary and other equipment which the board deems necessary for the proper protection of the harbor.

SEC. 13. Section 5910 is added to the Harbors and Navigation Code, to read:

5910. Any harbor improvement district organized and existing pursuant to Part 2 (commencing with Section 5800) of Division 8 may improve, develop, protect, and maintain any or all harbors within its boundaries in accordance with the procedure, and in the manner provided, in this chapter and in the Public Contract Code, except that nothing in this chapter or in the Public Contract Code affects state-owned tidelands and submerged lands or the jurisdiction of the State Lands Commission over tidelands and submerged lands.

SEC. 14. Section 5950 is added to the Harbors and Navigation Code, to read:

5950. The board of supervisors of any harbor improvement district organized and existing pursuant to Part 2 (commencing with Section 5800) may authorize the district to acquire, develop, operate, and maintain inland parks and recreation areas pursuant to this chapter.

SEC. 15. Section 6075 is added to the Harbors and Navigation Code, to read:

6075. Notwithstanding Section 6012, a harbor district may acquire, construct, own, operate, control, or develop any and all harbor works or facilities within the limits of its established boundaries. No interest in lands may be acquired, either by lease, purchase, or the exercise of the power of eminent domain within any port district, chartered port, harbor improvement district, incorporated city, or recreational harbor district without the prior consent to the acquisition by resolution of the governing body of each district, port, or city in which the lands are located.

SEC. 16. Section 6077.5 is added to the Harbors and Navigation Code, to read:

6077.5. A harbor district may acquire, purchase, takeover, construct, maintain, operate, develop, and regulate grain elevators, bunkering facilities, belt or other railroads, floating plants, lighterage, towage facilities, and any and all other facilities, aids, equipment, or property necessary for, or incident to, the development and operation of a harbor or for the accommodation and promotion of commerce, navigation, or fishery in the harbor district.

SEC. 17. Section 6273 is added to the Harbors and Navigation Code, to read:

6273. The district may itself, without letting contracts therefor, do work and make improvements. The work shall be done under the direction of its officers or employees.

SEC. 18. Section 6295 is added to the Harbors and Navigation Code, to read:

6295. A district may acquire, purchase, takeover, construct, maintain, operate, develop, and regulate wharves, docks, warehouses, grain elevators, bunkering facilities, belt railroads, floating plants, lighterage, lands, towage facilities, and any and all other facilities, aids, or public personnel, incident to, or necessary for, the operation and development of ports, waterways, and the district.

SEC. 19. Section 6301 is added to the Harbors and Navigation Code, to read:

6301. A district may do any work or make any improvement within or without the territorial limits of the district, which will aid in the development or the improvement of navigation or commerce to or within the district.

SEC. 20. Section 6302 is added to the Harbors and Navigation Code, to read:

6302. A district may enact necessary police regulations providing for control of any waterway project of the United States, entering the district, and adopt rules and regulations concerning the construction of wharves, docks, buildings, and improvements of all types, contemplated.

SEC. 21. Section 6303 is added to the Harbors and Navigation Code, to read:

6303. A district may provide for the opening and laying out of streets leading to the waterfront.

SEC. 22. Section 6304 is added to the Harbors and Navigation Code, to read:

6304. A district may regulate and control the construction, maintenance, and operation or use of all wharves, warehouses, structures, improvements, or appliances used in connection with or for the accommodation and promotion of transportation or navigation on any improvement project of the federal government applying to the main waterway entering the district and on other navigable streams improved or unimproved which lie within the district, and it may make and enforce necessary police and sanitary regulations in connection therewith.

SEC. 23. Section 6864 is added to the Harbors and Navigation Code, to read:

6864. The district, may itself, without letting contracts therefor, do such work and make such improvements as are necessary. The work shall be done under the supervision and direction of its officers or employees.

SEC. 24. Section 6895 is added to the Harbors and Navigation Code, to read:

6895. A district may acquire, purchase, takeover, construct, maintain, operate, develop, and regulate wharves, docks, warehouses, grain elevators, bunkering facilities, cold storage facilities, belt railroads, floating plants, lighterage, lands, towage facilities, and any and all other facilities, aids, or public personnel, incident to, or necessary for, the operation and development of ports, waterways, and the district.

SEC. 25. Section 6901 is added to the Harbors and Navigation Code, to read:

6901. A district may do any work or make any improvement within or without the territorial limits of the district, if the doing of the work or the making of the improvement will aid in the development or the improvement of navigation or commerce to or within the district.

SEC. 26. Section 6902 is added to the Harbors and Navigation Code, to read:

6902. A district may enact necessary police regulations providing for control of any waterway project of the United States, entering the district, and it may adopt rules and regulations concerning the construction of wharves, docks, buildings, and improvements of all types.

SEC. 27. Section 6903 is added to the Harbors and Navigation Code, to read:

6903. A district may provide for the opening and laying out of streets leading to the waterfront.

SEC. 28. Section 6904 is added to the Harbors and Navigation Code, to read:

6904. A district may regulate and control the construction, maintenance, and operation, or use, of all wharves, warehouses, structures, improvements, or appliances used in connection with or for the accommodation and promotion of transportation or navigation on any improvement project of the federal government applying to the main waterway entering the district and also on other navigable streams improved or unimproved which lie within the district, and make and enforce necessary police and sanitary regulations in connection therewith.

SEC. 29. Section 7149 is added to the Harbors and Navigation Code, to read:

7149. The district may acquire, construct, reconstruct, improve, repair, develop, maintain, and operate a harbor and all facilities appurtenant thereto, connected therewith, or incidental thereto, including, but not limited to, all of the following:

(a) The dredging of channels, shipways, berths, anchorage places, and turning basins.

(b) The acquisition, reconstruction, repair, and maintenance of jetties, breakwaters, bulkheads, seawalls, wharves, docks, ways, ferry slips, warehouses, streets, roads, drives, parkways, avenues, approaches, marinas, aquatic playgrounds, beach parks, bathing beaches, and other recreation facilities, together with structures and facilities incidental thereto.

(c) The acquisition, construction, reconstruction, repair, maintenance, operation, development, and regulation of fueling, loading and unloading, towing, repair, warehousing, shipping and reshipping, and other facilities, aids, equipment, or property necessary for, or incidental to, the development and operation of the harbor.

(d) The acquisition, construction, reconstruction, repair, maintenance, and operation of fireboats, sanitary, and other facilities necessary for the proper protection of the harbor.

SEC. 30. Section 7153 is added to the Harbors and Navigation Code, to read:

7153. The district may construct any works along, under, or across any street, road, or watercourse upon payment of compensation therefor, if required, in a manner that will afford security for life and property.

SEC. 31. Section 7154 is added to the Harbors and Navigation Code, to read:

7154. The district may use any lands acquired or owned by the district for street or highway purposes. If it is necessary or expedient to convey any of the lands owned by the district for street or highway

purposes, the board, by resolution, may authorize the president and secretary to execute the deed to the public entity entitled thereto and deliver it to the proper authority representing the grantee.

SEC. 32. Section 7155 is added to the Harbors and Navigation Code, to read:

7155. The district may sell and issue franchises relating to the harbor and its works, appurtenances, properties, and rights in accordance with procedure as may be prescribed by ordinance.

SEC. 33. Section 7156 is added to the Harbors and Navigation Code, to read:

7156. The district may advertise its advantages and solicit business within or without the district, within other states or any foreign countries through such employees or agents as are expedient.

SEC. 34. Section 4602.4 is added to the Health and Safety Code, to read:

4602.4. Improvement means any or all of the following:

(a) The acquisition or construction of sanitary sewers of all types, including, but not limited to, outfall, trunk, intercepting, connecting, lateral, and house connection sewers.

(b) The acquisition or construction of sewage treatment plants, works, or systems.

(c) The acquisition or construction of other improvements, works, or system for the collection, transmission, treatment, or disposal of sewage or industrial waste.

(d) The acquisition or construction of sewers, drains, pipelines, conduits, culverts, or ditches for the collection, transmission, or disposal of surface or storm water.

(e) The acquisition or construction of other improvements, works, or system for the purpose of surface or storm water drainage or for the purpose of flood control.

(f) The acquisition, construction, or extension of waterworks, water systems or water distribution systems.

(g) The acquisition or construction of works or improvements appurtenant or related to any of the works, improvements, or systems described in subdivisions (a) to (f), inclusive.

(h) Additions to, or the reconstruction or improvement of, any of the works, improvements, or systems described in subdivisions (a) to (g), inclusive.

(i) The acquisition of any land, rights-of-way, capacity rights, rights of use, or other property needed for any of the works, improvements, or systems described in subdivisions (a) to (h), inclusive.

SEC. 35. Section 4602.5 is added to the Health and Safety Code, to read:

4602.5. In cities within a county of the 20th class, as defined in Section 28041 of the Government Code, improvement shall also mean the acquisition, construction, maintenance, and operation of any public buildings which would serve as a community center facility, including, but not limited to, an exhibition building, an

auditorium, a stadium, and a sports arena; and the acquisition and improvement of any land, rights-of-way, rights of use, or other property needed for any of the improvements described in this section, or for offstreet parking facilities therefor.

For the purposes of this section, at the hearing held pursuant to Section 4611, the governing body may exclude from the proposed district any territory the inhabitants of which would not be benefited by the proposed improvements as finally determined.

SEC. 36. Section 4636 is added to the Health and Safety Code, to read:

4636. The governing body of each city in which an improvement is being made or acquired pursuant to this chapter may make all necessary rules and regulations for carrying out and maintaining the improvement, and may appoint all agents, superintendents, and engineers necessary to look after the construction and operation of the improvement. However, in any city operating under a charter framed pursuant to Sections 3 and 5 of Article XI of the California Constitution which has a board or department of public works, the powers and duties of the governing body which are stated in this section may be exercised and performed by the city board or department of public works.

SEC. 37. Section 4741 is added to the Health and Safety Code, to read:

4741. A district may acquire, construct, and complete within or without the district, sewage collection, treatment and disposal works, including sewage treatment plants, outfalls, intercepting, collecting and lateral sewers, pipes, pumps, machinery, easements, rights-of-way, and other works, property or structures necessary or convenient for sewage collection, treatment, and disposal. No sewerage system shall be constructed, maintained, or operated in any city not in the district except by consent granted by an affirmative vote by a majority of the full membership of the governing body of the city; provided, however, that the district may construct, operate, and maintain intercepting, trunk and outfall sewerlines, other than ocean outfall lines and other terminal outfall lines, together with pumps and like machinery necessary for sewage transportation, in a city pursuant to Section 4759.1. For the purposes of this section, the term "terminal outfall lines" means any outfall sewerlines that discharge within the city any effluent from a sewer treatment plant or any sewage.

It may also acquire lands and acquire and construct refuse transfer or disposal facilities, or both, within or without the district, and it may maintain and operate within the district boundaries a system for transfer or disposal of refuse, or both; provided, however, that the system shall not include "refuse collection" which is defined as the house-to-house pickup of refuse or any part thereof.

A district shall not acquire land for, or establish and operate, a refuse transfer or disposal facility within either a city or the unincorporated area of a county until the city council, if the facility

is proposed to be located in the city, or the board of supervisors of the county, if it is proposed to be located in the unincorporated area of the county, has by resolution, consented to the use of the proposed site for that purpose.

If 90 percent or more of the total area of the district is unincorporated territory and the land proposed to be acquired for a refuse transfer or disposal facility is located in the unincorporated territory of the county, the board of supervisors, before adopting any resolution consenting to the use of land for that purpose, shall hold a public hearing upon the question of the adoption of the resolution. Notice of the hearing shall be given by publication in the area pursuant to Section 6066 of the Government Code, not more than 30 nor less than 10 days prior to the hearing. If at any time before the hearing, there is filed with the board of supervisors a written objection to the use of the proposed site for a refuse transfer or disposal facility, signed by 2 percent or more of the registered voters of the district, the board shall submit the matter of the proposed use to the voters of the district at an election. The proposition shall be submitted to the voters in the manner and under the procedure prescribed in Article 5 (commencing with Section 4780) of Chapter 3 of this part for submission of the proposition of incurring a bonded indebtedness. If a majority of the votes cast in an election are in favor of the proposed use, the board shall adopt the resolution consenting thereto, but if a majority of the votes cast are against the proposed use, the board shall dismiss the proceedings, and no resolution consenting to the use of any of such land shall be adopted by the board for at least one year from the date of the election.

SEC. 38. Section 4885 is added to the Health and Safety Code, to read:

4885. The board is the governing body of the district and may make and enforce all rules and regulations necessary for the administration and government of the district and for the cleaning, repair, reconstruction, renewal, replacement, operation, and maintenance of lateral and collecting sewers in it.

SEC. 39. Section 6512 is added to the Health and Safety Code, to read:

6512. A district may acquire, plan, construct, reconstruct, alter, enlarge, lay, renew, replace, maintain, and operate garbage dump sites and garbage collection and disposal systems, sewers, drains, septic tanks, and sewerage collection, outfall, treatment works and other sanitary disposal systems, and storm water drains and storm water collection, outfall and disposal systems, and water reclamation and distribution systems, as the board deems necessary and proper, and in the performance of these functions, either in or out of the district, it may join through joint powers agreements pursuant to the provisions of Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code, or through other means with any county or municipality or any other district or governmental agency.

Before any garbage dump is established, the location shall first be approved by the county health officer, and, in addition, if the location is within two miles of any city the consent of the governing body of the city shall first be secured.

If the district includes any part of a city, water district, or other local agency which provides water service to any territory in the district, the district shall not supply water service to the territory unless the district first obtains the consent of the city, water district, or other local agency. The consent shall not be revoked, if revocation will result in a decrease of the revenues available to pay the outstanding bonds of the district.

SEC. 40. Section 13852 is added to the Health and Safety Code, to read:

13852. The district board shall have and shall exercise all rights and powers, expressed or implied, necessary to carry out the purposes and intent of this part, including, but not limited to, the following powers:

(a) To sue and be sued.

(b) To take or acquire real or personal property of every kind or any interest therein, within the district, by grant, purchase, gift, devise or lease, and to hold, manage, occupy, dispose of, convey, and encumber the same and to create a leasehold interest in the same for the benefit of the district.

(c) To exercise the right of eminent domain. No action in eminent domain to acquire property or interests therein outside the boundaries of the county or counties in which the district is located shall be commenced unless the board of supervisors of each affected county has consented to such acquisition by resolution.

(d) To establish, equip, and maintain a fire department, and to establish and enforce rules and regulations for the administration, operation, and maintenance thereof.

(e) To appoint and employ necessary employees, and to define their qualifications, duties, and responsibilities, and to provide for a pay schedule and for payment in a reasonable sum for the performance of such duties.

(f) To employ counsel.

(g) To enter into and perform all necessary contracts, including, but not limited to, contracts for the supply and distribution of water where necessary for the purposes of fire protection, and for the furnishing of necessary services to, or the receipt of, such services from another district.

(h) To provide and maintain any and all special service functions necessary for the prevention of fire and for the protection of life and property from fire and panic, including the investigation of fire and prosecution of crimes of arson.

(i) To acquire and construct facilities within the district for the development, transmission, storage, and distribution of water where necessary or convenient for the purpose of providing fire protection.

SEC. 41. Section 13867 is added to the Health and Safety Code,

to read:

13867. The district board may clear or order the clearing of land or remove, or order the removal of, dry grass, stubble, brush, rubbish, litter, or other flammable material, if, in its judgment, the flammable material endangers the public safety by creating a fire hazard. The provisions of Part 5 (commencing with Section 14875) of this division, are made applicable to districts organized and existing pursuant to this division, including, but not limited to, the provisions with respect to the assessment of property owners for the expense of abatement, and the procedure set forth therein shall apply to dry grass, stubble, brush, rubbish, litter, or other flammable material which endangers the public safety by creating a fire hazard. In the application of the provisions of Part 5 (commencing with Section 14875) of this division to proceedings under this chapter, the terms "board of supervisors" or "board," when used in Part 5, shall mean the district board acting under this chapter; and the officers designated in Section 14890 shall mean the employees of the fire department designated by the district board.

SEC. 42. Section 13868 is added to the Health and Safety Code, to read:

13868. The district board may clear any or all townlots, homesites, villa lots, or lands immediately adjacent within the district of dry grass, weeds, stubble, brush, rubbish, litter, or other flammable material.

SEC. 42.1. Chapter 4 (commencing with Section 4100) is added to Part 1 of Division 2 of the Public Contract Code, to read:

CHAPTER 4. SUBLETTING AND SUBCONTRACTING

4100. This chapter may be cited as the "Subletting and Subcontracting Fair Practices Act."

4100.5. With the exclusion of that portion of work covering street lighting and traffic signals, this chapter does not apply to the balance of contracts for the construction, improvement, or repair of streets or highways, including bridges.

4101. The Legislature finds that the practices of bid shopping and bid peddling in connection with the construction, alteration, and repair of public improvements often result in poor quality of material and workmanship to the detriment of the public, deprive the public of the full benefits of fair competition among prime contractors and subcontractors, and lead to insolvencies, loss of wages to employees, and other evils.

4103. Nothing in this chapter limits or diminishes any rights or remedies, either legal or equitable, which:

(a) An original or substituted subcontractor may have against the prime contractor, his or her successors or assigns.

(b) The state or any county, city, body politic, or public agency may have against the prime contractor, his or her successors or assigns, including the right to take over and complete the contract.

4104. Any officer, department, board or commission taking bids for the construction of any public work or improvement shall provide in the specifications prepared for the work or improvement or in the general conditions under which bids will be received for the doing of the work incident to the public work or improvement that any person making a bid or offer to perform the work, shall, in his or her bid or offer, set forth:

(a) The name and the location of the place of business of each subcontractor who will perform work or labor or render service to the prime contractor in or about the construction of the work or improvement, or a subcontractor licensed by the State of California who, under subcontract to the prime contractor, specially fabricates and installs a portion of the work or improvement according to detailed drawings contained in the plans and specifications, in an amount in excess of one-half of 1 percent of the prime contractor's total bid.

(b) The portion of the work which will be done by each subcontractor under this act. The prime contractor shall list only one subcontractor for each portion as is defined by the prime contractor in his or her bid.

4105. Circumvention by a general contractor who bids as a prime contractor of the requirement under Section 4104 for him or her to list his or her subcontractors, by the device of listing another contractor who will in turn sublet portions constituting the majority of the work covered by the prime contract, shall be considered a violation of this chapter and shall subject that prime contractor to the penalties set forth in Sections 4110 and 4111.

4106. If a prime contractor fails to specify a subcontractor or if a prime contractor specifies more than one subcontractor for the same portion of work to be performed under the contract in excess of one-half of 1 percent of the prime contractor's total bid, the prime contractor agrees that he or she is fully qualified to perform that portion himself or herself, and that the prime contractor shall perform that portion himself or herself.

If after award of contract, the prime contractor subcontracts, except as provided for in Sections 4107 or 4109, any such portion of the work, the prime contractor shall be subject to the penalties named in Section 4111.

4107. No prime contractor whose bid is accepted shall:

(a) Substitute any person as subcontractor in place of the subcontractor listed in the original bid, except that the awarding authority, or its duly authorized officer, may, except as otherwise provided in Section 4107.5, consent to the substitution of another person as a subcontractor in any of the following situations:

(1) When the subcontractor listed in the bid after having had a reasonable opportunity to do so fails or refuses to execute a written contract, when that written contract, based upon the general terms, conditions, plans and specifications for the project involved or the terms of that subcontractor's written bid, is

presented to the subcontractor by the prime contractor.

(2) When the listed subcontractor becomes bankrupt or insolvent.

(3) When the listed subcontractor fails or refuses to perform his or her subcontract.

(4) When the listed subcontractor fails or refuses to meet the bond requirements of the prime contractor as set forth in Section 4108.

(5) When the prime contractor demonstrates to the awarding authority, or its duly authorized officer, subject to the further provisions set forth in Section 4107.5, that the name of the subcontractor was listed as the result of an inadvertent clerical error.

(6) When the listed subcontractor is not licensed pursuant to the Contractors License Law.

(7) When the awarding authority, or its duly authorized officer, determines that the work performed by the listed subcontractor is substantially unsatisfactory and not in substantial accordance with the plans and specifications, or that the subcontractor is substantially delaying or disrupting the progress of the work.

Prior to approval of the prime contractor's request for the substitution the awarding authority, or its duly authorized officer, shall give notice in writing to the listed subcontractor of the prime contractor's request to substitute and of the reasons for the request. The notice shall be served by certified or registered mail to the last known address of the subcontractor. The listed subcontractor who has been so notified shall have five working days within which to submit written objections to the substitution to the awarding authority. Failure to file these written objections shall constitute the listed subcontractor's consent to the substitution.

If written objections are filed, the awarding authority shall give notice in writing of at least five working days to the listed subcontractor of a hearing by the awarding authority on the prime contractor's request for substitution.

(b) Permit any subcontract to be voluntarily assigned or transferred or allow it to be performed by anyone other than the original subcontractor listed in the original bid, without the consent of the awarding authority, or its duly authorized officer.

(c) Other than in the performance of "change orders" causing changes or deviations from the original contract, sublet or subcontract any portion of the work in excess of one-half of 1 percent of the prime contractor's total bid as to which his or her original bid did not designate a subcontractor.

4107.2. No subcontractor listed by a prime contractor under Section 4104 as furnishing and installing carpeting, shall voluntarily sublet his or her subcontract with respect to any portion of the labor to be performed unless he or she specified the subcontractor in his or her bid for that subcontract to the prime contractor.

4107.5. The prime contractor as a condition to assert a claim of

inadvertent clerical error in the listing of a subcontractor shall within two working days after the time of the prime bid opening by the awarding authority give written notice to the awarding authority and copies of that notice to both the subcontractor he or she claims to have listed in error and the intended subcontractor who had bid to the prime contractor prior to bid opening.

Any listed subcontractor who has been notified by the prime contractor in accordance with this section as to an inadvertent clerical error shall be allowed six working days from the time of the prime bid opening within which to submit to the awarding authority and to the prime contractor written objection to the prime contractor's claim of inadvertent clerical error. Failure of the listed subcontractor to file the written notice within the six working days shall be primary evidence of his or her agreement that an inadvertent clerical error was made.

The awarding authority shall, after a public hearing as provided in Section 4107 and in the absence of compelling reasons to the contrary, consent to the substitution of the intended subcontractor:

(a) If (1) the prime contractor, (2) the subcontractor listed in error, and (3) the intended subcontractor each submit an affidavit to the awarding authority along with such additional evidence as the parties may wish to submit that an inadvertent clerical error was in fact made, provided that the affidavits from each of the three parties are filed within eight working days from the time of the prime bid opening, or

(b) If the affidavits are filed by both the prime contractor and the intended subcontractor within the specified time but the subcontractor whom the prime contractor claims to have listed in error does not submit within six working days, to the awarding authority and to the prime contractor, written objection to the prime contractor's claim of inadvertent clerical error as provided in this section.

If the affidavits are filed by both the prime contractor and the intended subcontractor but the listed subcontractor has, within six working days from the time of the prime bid opening, submitted to the awarding authority and to the prime contractor written objection to the prime contractor's claim of inadvertent clerical error, the awarding authority shall investigate the claims of the parties and shall hold a public hearing as provided in Section 4107 to determine the validity of those claims. Any determination made shall be based on the facts contained in the declarations submitted under penalty of perjury by all three parties and supported by testimony under oath and subject to cross-examination. The awarding authority may, on its own motion or that of any other party, admit testimony of other contractors, any bid registries or depositories, or any other party in possession of facts which may have a bearing on the decision of the awarding authority.

4108. (a) It shall be the responsibility of each subcontractor submitting bids to a prime contractor to be prepared to submit a

faithful performance and payment bond or bonds if so requested by the prime contractor.

(b) In the event any subcontractor submitting a bid to a prime contractor does not, upon the request of the prime contractor and at the expense of the prime contractor at the established charge or premium therefor, furnish to the prime contractor a bond or bonds issued by an admitted surety wherein the prime contractor shall be named the obligee, guaranteeing prompt and faithful performance of the subcontract and the payment of all claims for labor and materials furnished or used in and about the work to be done and performed under the subcontract, the prime contractor may reject the bid and make a substitution of another subcontractor subject to Section 4107. The bond or bonds may be required at the expense of the subcontractor only if the prime contractor in his or her written or published request for subbids (1) specifies that the expense for the bond or bonds shall be borne by the subcontractor and (2) clearly specifies the amount and requirements of the bond or bonds.

4109. Subletting or subcontracting of any portion of the work in excess of one-half of 1 percent of the prime contractor's total bid as to which no subcontractor was designated in the original bid shall only be permitted in cases of public emergency or necessity, and then only after a finding reduced to writing as a public record of the awarding authority setting forth the facts constituting the emergency or necessity.

4110. A prime contractor violating any of the provisions of this chapter violates his or her contract and the awarding authority may exercise the option, in its own discretion, of (1) canceling his or her contract or (2) assessing the prime contractor a penalty in an amount of not more than 10 percent of the amount of the subcontract involved, and this penalty shall be deposited in the fund out of which the prime contract is awarded. In any proceedings under this section the prime contractor shall be entitled to a public hearing and to five days' notice of the time and place thereof.

4111. Violation of this chapter by a licensee under Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code constitutes grounds for disciplinary action by the Contractors State License Board, in addition to the penalties prescribed in Section 4110.

4112. The failure on the part of a contractor to comply with any provision of this chapter does not constitute a defense to the contractor in any action brought against the contractor by a subcontractor.

4113. As used in this chapter, the word "subcontractor" shall mean a contractor, within the meaning of the provisions of Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code, who contracts directly with the prime contractor.

"Prime contractor" shall mean the contractor who contracts directly with the awarding authority.

4114. In counties with a population of 6,000,000 or more, the

county board of supervisors, when it is the awarding authority, may delegate its functions under Sections 4107 and 4110 to a hearing officer designated by the board.

The hearing officer shall make a written recommendation to the board of supervisors. The board of supervisors may adopt the recommendation without further notice or hearing, or may set the matter for a de novo hearing before the board.

SEC. 43. Section 20202.3 of the Public Contract Code is repealed.

SEC. 44. Section 20202.4 of the Public Contract Code is repealed.

SEC. 45. Section 20203.1 of the Public Contract Code is repealed.

SEC. 46. Section 20203.2 of the Public Contract Code is repealed.

SEC. 47. Section 20203.3 of the Public Contract Code is repealed.

SEC. 48. The heading of Article 17 (commencing with Section 20310) of Chapter 1 of Part 3 of Division 2 of the Public Contract Code is amended to read:

Article 17. Golden Empire Transit District

SEC. 49. Article 22 (commencing with Section 20360) of Part 3 of Division 2 of the Public Contract Code is repealed.

SEC. 50. Section 20381 of the Public Contract Code is amended to read:

20381. The authority may construct the system or any part thereof, and acquire all property necessary therefor on terms and conditions that it deems advisable.

The authority, without awarding a contract for the construction of the system, or any part thereof, may do the work directly and may purchase materials, hire labor, and do all other things necessary for the doing of the work. When any part of the work is to be done or performed by any public body or by the United States jointly or in conjunction with the authority, the portion of the cost thereof to be borne by the authority may be turned over to the government of the United States or to any other public body to be expended by it in the acquisition, construction or completion of the system or any part thereof.

Construction contracts entered into by the authority are not subject to the State Contract Act pursuant to Chapter 11 (commencing with Section 10100) and shall be governed solely by this act, except that Chapter 3 (commencing with Section 4200) of Division 5 of Title 1 of the Government Code is hereby expressly made applicable to the system, or any part thereof, under this act. Construction contracts may be entered into in the manner and upon terms that the authority deems advisable.

SEC. 51. Section 20401 of the Public Contract Code is repealed.

SEC. 52. Section 20408 of the Public Contract Code is repealed.

SEC. 53. Section 20421 of the Public Contract Code is amended to read:

20421. The owners of three-fourths of the area of lands liable to be assessed, or their agents (who shall make oath that they are the

owners or agents) are not required to present sealed proposals or bids, but may within 10 days after the first publication, or first posting if there is no publication, of the notice of the award of the contract, elect to take the work and enter into a written contract to do the whole work at the price at which the contract has been awarded. All work done under the written contract is subject to regulations which may be prescribed by ordinance of the legislative body.

SEC. 54. Section 20422 of the Public Contract Code is amended to read:

20422. If the owners fail to elect to take the work, and to enter into a written contract therefor within 10 days, or to commence the work within 15 days after the date of the written contract, and to prosecute the work with diligence to completion, the superintendent of streets shall enter into a contract with the original bidder to whom the contract was awarded, and at the prices specified in his or her bid.

SEC. 56. Section 20493 of the Public Contract Code is repealed.
SEC. 57. Section 20494 of the Public Contract Code is repealed.
SEC. 58. Section 20495 of the Public Contract Code is repealed.
SEC. 59. Section 20542 of the Public Contract Code is repealed.
SEC. 60. Section 20543 of the Public Contract Code is repealed.
SEC. 61. Section 20681 of the Public Contract Code is repealed.
SEC. 62. Section 20683 of the Public Contract Code is repealed.
SEC. 63. Section 20684 of the Public Contract Code is repealed.
SEC. 64. Section 20686 of the Public Contract Code is repealed.
SEC. 65. Section 20691 of the Public Contract Code is repealed.
SEC. 66. Section 20692 of the Public Contract Code is repealed.
SEC. 67. Section 20697 of the Public Contract Code is repealed.
SEC. 68. Section 20698 of the Public Contract Code is repealed.
SEC. 69. Section 20711 of the Public Contract Code is repealed.
SEC. 70. Section 20712 of the Public Contract Code is repealed.
SEC. 71. Section 20713 of the Public Contract Code is repealed.
SEC. 72. Section 20714 of the Public Contract Code is repealed.
SEC. 73. Section 20715 of the Public Contract Code is repealed.
SEC. 74. Section 20716 of the Public Contract Code is repealed.
SEC. 75. Section 20721 of the Public Contract Code is repealed.
SEC. 76. Section 20722 of the Public Contract Code is repealed.
SEC. 77. Section 20731 of the Public Contract Code is repealed.
SEC. 78. Section 20732 of the Public Contract Code is repealed.
SEC. 79. Section 20733 of the Public Contract Code is repealed.
SEC. 80. Section 20734 of the Public Contract Code is repealed.
SEC. 81. Section 20735 of the Public Contract Code is repealed.
SEC. 82. Section 20752 of the Public Contract Code is repealed.
SEC. 83. Section 20754 of the Public Contract Code is repealed.
SEC. 84. Section 20755 of the Public Contract Code is repealed.
SEC. 85. Section 20756 of the Public Contract Code is repealed.
SEC. 86. Section 20757 of the Public Contract Code is repealed.
SEC. 87. Section 20758 of the Public Contract Code is repealed.
SEC. 88. Section 20763 of the Public Contract Code is repealed.

SEC. 89. Section 20765 of the Public Contract Code is repealed.
SEC. 90. Section 20766 of the Public Contract Code is repealed.
SEC. 91. Section 20767 of the Public Contract Code is repealed.
SEC. 92. Section 20768 of the Public Contract Code is repealed.
SEC. 93. Section 20769 of the Public Contract Code is repealed.
SEC. 94. Section 20781 of the Public Contract Code is repealed.
SEC. 95. Section 20792 of the Public Contract Code is repealed.
SEC. 96. Section 20802 of the Public Contract Code is repealed.
SEC. 97. Section 20811 of the Public Contract Code is repealed.
SEC. 98. Section 20812 of the Public Contract Code is repealed.
SEC. 99. Section 20813 of the Public Contract Code is repealed.
SEC. 100. Section 20821 of the Public Contract Code is repealed.
SEC. 101. Section 20822 of the Public Contract Code is repealed.
SEC. 102. Section 20825 of the Public Contract Code is repealed.
SEC. 103. Section 20831 of the Public Contract Code is repealed.
SEC. 104. Section 20833 of the Public Contract Code is repealed.
SEC. 105. Section 20834 of the Public Contract Code is repealed.
SEC. 106. Section 20835 of the Public Contract Code is repealed.
SEC. 107. Section 20841 of the Public Contract Code is repealed.
SEC. 108. Section 20844 of the Public Contract Code is repealed.
SEC. 109. Section 20845 of the Public Contract Code is repealed.
SEC. 110. Section 20846 of the Public Contract Code is repealed.
SEC. 111. Section 20847 of the Public Contract Code is repealed.
SEC. 112. Section 20851 of the Public Contract Code is repealed.
SEC. 113. Section 20852 of the Public Contract Code is amended to read:

20852. The superintendent of streets shall advertise for bids for the improvement of the roadbed pursuant to Section 6764 of the Streets and Highways Code. The legislative body shall award the contract for the making of the improvements to the lowest regular responsible bidder. The bidding and awarding of contracts shall be made in the manner provided in Part 3 (commencing with Section 5100) of Division 7 of the Streets and Highways Code for the awarding of contracts for improvements except that no notice of award shall be published.

SEC. 114. Section 20860 of the Public Contract Code is repealed.
SEC. 115. Section 20861 of the Public Contract Code is repealed.
SEC. 116. Section 20862 of the Public Contract Code is repealed.
SEC. 117. Section 20863 of the Public Contract Code is repealed.
SEC. 118. Section 20864 of the Public Contract Code is repealed.
SEC. 119. Section 20865 of the Public Contract Code is repealed.
SEC. 120. Section 20866 of the Public Contract Code is repealed.
SEC. 121. Section 20875 of the Public Contract Code is repealed.
SEC. 122. Section 20881 of the Public Contract Code is repealed.
SEC. 123. Section 20882 of the Public Contract Code is repealed.
SEC. 124. Section 20883 of the Public Contract Code is repealed.
SEC. 125. Section 20884 of the Public Contract Code is repealed.
SEC. 126. Section 20885 of the Public Contract Code is repealed.
SEC. 127. Section 20891 of the Public Contract Code is repealed.

SEC. 128. Section 20892 of the Public Contract Code is repealed.

SEC. 129. Section 20899 of the Public Contract Code is repealed.

SEC. 130. Section 20911 of the Public Contract Code is repealed.

SEC. 131. Section 20912 of the Public Contract Code is repealed.

SEC. 132. Section 20913 of the Public Contract Code is repealed.

SEC. 133. Section 16461 is added to the Public Utilities Code, to read:

16461. A district may acquire, construct, own, operate, control, or use, within or without or partly within and partly without the district, works for supplying its inhabitants with light, water, power, heat, transportation, telephone service, or other means of communication, or means for the disposition of garbage, sewage, or refuse matter, and may do all things necessary or convenient to the full exercise of the powers granted in this article.

SEC. 134. Section 16463 is added to the Public Utilities Code, to read:

16463. A district may acquire, construct, own, complete, use, and operate a fire department, street lighting system, public parks, public playgrounds, golf courses, public swimming pools, public recreation buildings, buildings to be used for public purposes, and works to provide for the drainage of roads, streets, and public places, including, but not limited to, curbs, gutters, sidewalks, and pavement of streets. For purposes of this division, all of those projects shall be considered a public utility or public utility works.

SEC. 135. Section 16464 is added to the Public Utilities Code, to read:

16464. A district may construct works across or along any street or public highway, or over any land which is the property of the state, and has the same rights and privileges appertaining thereto as are granted to cities within the state.

SEC. 136. Section 16465 is added to the Public Utilities Code, to read:

16465. A district may construct its works across any stream of water or watercourse.

SEC. 137. Section 16466 is added to the Public Utilities Code, to read:

16466. A district using a street or highway shall restore it to its former state as nearly as possible and shall not unnecessarily impair its usefulness.

SEC. 137.1. Section 130231 is added to the Public Utilities Code, to read:

130231. (a) If the Los Angeles County Transportation Commission is authorized to impose a transactions and use tax within the County of Los Angeles, the commission shall have the authority and power vested in the Southern California Rapid Transit District to plan, design, and construct an exclusive public mass transit guideway system in the county.

(b) In that case, the commission shall conform to this article in letting contracts for the construction of that system.

SEC. 137.2. Section 130232 is added to the Public Utilities Code, to read:

130232. (a) The purchase of all supplies, equipment, and materials, and the construction of all facilities and works, when the expenditure required exceeds twenty-five thousand dollars ($25,000), shall be by contract let to the lowest responsible bidder. Notice requesting bids shall be published at least once in a newspaper of general circulation. The publication shall be made at least 10 days before the date for the receipt of the bids. The commission, at its discretion, may reject any and all bids and readvertise.

(b) Whenever the expected expenditure required exceeds one thousand dollars ($1,000), but not twenty-five thousand dollars ($25,000), the commission shall obtain a minimum of three quotations, either written or oral, which permit prices and terms to be compared.

(c) Where the expenditure required by the bid price is less than fifty thousand dollars ($50,000), the executive director may act for the commission.

SEC. 137.3. Section 130233 is added to the Public Utilities Code, to read:

130233. If, after rejecting bids received under Section 130232 the commission determines and declares, by a two-thirds vote of all of its members, that the supplies, equipment, or materials may be purchased at a lower price in the open market, the commission may proceed to purchase those supplies, equipment, or materials in the open market without further observance of the provisions in this article regarding contracts, bids, advertisement, or notice.

SEC. 137.4. Section 130234 is added to the Public Utilities Code, to read:

130234. In case of any great public calamity, such as an extraordinary fire, flood, storm, epidemic, or other disaster, or interruption of contracts essential to the provision of daily transit service or catastrophic failure of revenue-producing equipment or facilities, the commission may, by resolution passed by a two-thirds vote of all its members, declare and determine that public interest and necessity demand the immediate expenditure of public money to safeguard life, health, or property, and thereupon proceed to expend or enter into a contract involving the expenditure of any sum needed in the emergency without observance of the provisions in this article regarding contracts, bids, advertisement, or notice.

SEC. 137.5. Section 130235 is added to the Public Utilities Code, to read:

130235. (a) Upon determining that immediate remedial measures to avert or alleviate damage to property, or to replace, repair, or restore damaged or destroyed property, of the commission are necessary in order to ensure that the facilities of the commission are available to serve the transportation needs of the general public, and upon determining that available remedial measures, including

procurement or construction in compliance with Sections 130232, 130233, and 130234 are inadequate, the executive director may authorize the expenditure of money previously appropriated specifically by the commission for the direct purchases of goods and services, without following those sections.

(b) The executive director shall, after any such expenditure, submit to the commission a full report explaining the necessity for the action.

SEC. 137.6. Section 130236 is added to the Public Utilities Code, to read:

130236. Notwithstanding Section 130232, and upon a finding by two-thirds vote of all members of the commission that the proposed purchase in compliance with Sections 130232 and 130233 does not constitute a method of procurement adequate for the operation of commission facilities or equipment, the commission may direct the procurement of prototype equipment or modifications in an amount sufficient to conduct and evaluate operational testing without further observance of any provisions in this article regarding contracts, bids, advertisements, or notice.

SEC. 137.7. Section 130237 is added to the Public Utilities Code, to read:

130237. Notwithstanding Section 130232, the commission may direct the purchase of any supply, equipment, or material without observance of any provision in this article regarding contracts, bids, advertisement, or notice upon a finding by two-thirds of all members of the commission that there is only a single source of procurement therefor and that the purchase is for the sole purpose of duplicating or replacing supply, equipment, or material already in use.

SEC. 137.8. Section 130238 is added to the Public Utilities Code, to read:

130238. (a) The Legislature finds and declares that (1) because of the highly specialized and unique nature of all rail transit equipment, (2) because of products and materials which are undergoing rapid technological changes, and (3) for the introduction of new technological changes into the operations of the commission, it may be in the public interest to consider, in addition to price, factors such as vendor financing, performance reliability, standardization, life-cycle costs, delivery timetables, and support logistics in the award of contracts for these vehicles and equipment.

(b) This section applies only to the purchase by the commission of (1) specialized rail transit equipment and (2) computers, telecommunications equipment, fare collections equipment, microwave equipment, and other related electronic equipment and apparatus. This section does not apply to the purchase of rail transit vehicles.

(c) The commission may, after finding by a two-thirds vote of all of its members that a particular procurement qualifies under subdivision (b), direct that the procurement be conducted through competitive negotiation under this section. For purposes of this

section, competitive negotiation includes, but is not limited to, all of the following requirements:

(1) The request for proposals shall be prepared and submitted to an adequate number of qualified sources, as determined by the commission, to permit reasonable competition consistent with the nature and requirement of the procurement.

(2) Notice of the request for proposals shall be published at least twice in a newspaper of general circulation, at least 10 days before the date for receipt of the proposals.

(3) The request for proposals shall identify all significant evaluation factors, including price, and their relative importance.

(4) The commission shall provide reasonable procedures for technical evaluation of the proposals received, identification of qualified sources, and selection for contract award.

(5) Award shall be made to the qualified proposer whose proposal will be most advantageous to the commission with price and all other factors considered.

(d) The commission, at its discretion, may reject any and all proposals and request new proposals.

(e) Any proposer may protest any acquisition conducted in accordance with this section by filing with the commission, within 10 days after receiving notice of the recommended award, exclusive of Saturdays and Sundays, a full and complete written statement specifying in detail the grounds of the protest and the facts supporting the protest. The protesting proposer shall be granted an opportunity to appear and be heard before the commission prior to the final award. The decision of the commission on the protest is final.

SEC. 137.9. Section 130239 is added to the Public Utilities Code, to read:

130239. In order to facilitate the participation of minority-owned and women-owned businesses and disadvantaged individuals in activities and contracts of the commission, to the extent that the provisions of Executive Order 11246 of September 24, 1965, as amended, and Chapter 60 (commencing with Section 60.1) of Title 41 and Part 28 (commencing with Section 23.1) of Title 49 of the Code of Federal Regulations are not applicable, the commission has the authority to develop a program to implement similar provisions applicable to its activities and contracts.

SEC. 139. Section 1320 is added to the Streets and Highways Code, to read:

1320. A board of supervisors may construct, operate, manage, or maintain summer bridges under rules and regulations, and at the times and places, that it considers necessary. The board shall cause any expenditure with regard to the bridges to be paid out of the county general fund.

SEC. 140. Section 1331 is added to the Streets and Highways Code, to read:

1331. Whenever any county has appointed a road commissioner

for all road districts in the county as authorized by Section 2006, or whenever any county has adopted a county charter pursuant to Section 4 of Article XI of the California Constitution, providing for the appointment of a road commissioner as a county officer, and for the organization of a permanent road department for the construction, improvement, and maintenance of highways and bridges, the road commissioner has charge of the construction and maintenance of all county bridges in the county, under the order and direction of the board of supervisors as provided in Section 1332.

SEC. 142. Section 5820 is added to the Streets and Highways Code, to read:

5820. As used in this article, "maintenance district" means an assessment district which a county board of supervisors or the legislative body of a city has created pursuant to this chapter.

This chapter, except Sections 5850 to 5853, inclusive, applies to the creation of maintenance districts by, and maintenance districts created by, the legislative body of a city. For such purpose, the references in this chapter to a county or a county officer shall be deemed to refer, respectively, to a city or a city officer performing the same duties.

SEC. 143. Section 5835 is added to the Streets and Highways Code, to read:

5835. Nothing in this chapter shall be construed as prohibiting the county itself from maintaining and operating any or all of the improvements when ordered by the board of supervisors and from purchasing the materials and supplies and employing the labor necessary for those purposes.

SEC. 144. Section 5835.1 is added to the Streets and Highways Code, to read:

5835.1. "Sewers" as used in this chapter includes lateral and collecting sewers, septic tanks, and all other means of handling, gathering, and disposing of sewage in the district.

SEC. 145. Section 5835.2 is added to the Streets and Highways Code, to read:

5835.2. "Maintenance of sewers" as used in this chapter includes the extension and enlargement of sewers within the district, and the acquisition or construction of other works or improvements useful in the proper operation of those sewers.

SEC. 146. Section 5835.3 is added to the Streets and Highways Code, to read:

5835.3. "Maintenance" as used in this chapter in relation to lighting systems, includes the replacement of any obsolete equipment with new modern equipment found by the board of supervisors or legislative body of a city to be necessary for the proper operation of the district. The replacement of any such obsolete equipment with any such new modern equipment, except for work done by a utility district or a private utility company under contract with the maintenance district, shall be subject to the requirements of Article 56 (commencing with Section 20840) of Chapter 1 of Part

3 of Division 2 of the Public Contract Code.

SEC. 147. Section 5896.1 is added to the Streets and Highways Code, to read:

5896.1. The Legislature finds that, in many areas of the state, landowners, cities, public agencies, and public utilities desire to convert existing overhead electric and communication facilities to underground locations by means of special assessment proceedings. The Legislature hereby declares that a public purpose will be served by providing a procedure to accomplish this conversion and that it is in the public interest to provide for the conversion by proceedings taken pursuant to this division.

SEC. 148. Section 5896.2 is added to the Streets and Highways Code, to read:

5896.2. As used in this chapter, the following words and phrases (and any variants thereof) mean:

"Communication service" means the transmission of intelligence by electrical means, including, but not limited to, telephone, telegraph, messenger-call, clock, police, fire alarm, and traffic control circuits, and circuits for the transmission of standard television or radio signals.

"Convert" or "conversion" means the removal of all, or any part, of any existing overhead electric or communication facilities and the replacement thereof with underground electric or communication facilities constructed at the same or different locations.

"Electric service" means the distribution of electricity for heat, light, or power.

"Electric or communication facilities" means any works or improvements used or useful in providing electric or communication service, including, but not limited to, poles, supports, tunnels, manholes, vaults, conduits, pipes, wires, conductors, guys, stubs, platforms, crossarms, braces, transformers, insulators, cutouts, switches, capacitors, meters, communication circuits, appliances, attachments, and appurtenances, other than those owned or used by, or provided for, any railroad or pipeline, and located upon or above the right-of-way of the railroad or pipeline. "Electric facilities" does not include any facilities used or intended to be used for the transmission of electric energy at nominal voltages in excess of 35,000 volts.

"Overhead electric or communication facilities" means electric or communication facilities located, in whole or in part, above the surface of the ground.

"Underground electric or communication facilities" means electric or communication facilities located, in whole or in part, beneath the surface of the ground.

"Public agency" means any city, county, district, or public corporation (other than the one conducting the proceedings) that provides electric or communication service to the public by means of electric or communication facilities.

"Public utility" means any person or corporation that provides

electric or communication service to the public by means of electric or communication facilities.

SEC. 149. Section 5896.9 is added to the Streets and Highways Code, to read:

5896.9. In a proceeding for a conversion, the city and any public utility or public agency supplying electric or communication service within the city, by agreement, may provide that, upon confirmation of the assessment, the public utility or public agency shall have legal title to the electric or communication facilities, which shall thereafter constitute part of a system of the public utility or public agency and be used, operated, maintained, and managed by it as part of its system.

Subject to any rules, regulations, or tariffs applicable to any public utility or public agency, the agreement also may provide, among other things, for any of the following: the supplying or approval by the public utility or public agency of plans and specifications; a contribution of labor, materials, or money by the public utility or public agency; the performance by the public utility or public agency of all, or any part, of the work or improvement; and payment to the public utility or public agency for any work or improvement performed or service rendered by it.

Any agreement shall be made prior to the adoption of the resolution ordering the work. If the proceedings are abandoned, the agreement shall be given no further force or effect. To the extent that the agreement provides that all, or any part, of the work or improvement is to be performed by the public utility or public agency, the provisions of this division requiring competitive bidding and the award of the contract to the lowest responsible bidder shall be inapplicable.

Nothing in this chapter precludes the city or the public utility, in the event of disagreement regarding any provision of the proposed agreement, from seeking review of the disagreement by the Public Utilities Commission.

SEC. 150. Section 5896.10 is added to the Streets and Highways Code, to read:

5896.10. If the work or improvement consists solely of a conversion, and the work or improvement is performed by a public utility or public agency, the resolution of intention shall provide that (a) the warrant, assessment and diagram or (b) any bonds issued or to be issued to represent unpaid assessments, or both (a) and (b), shall be sold as the legislative body directs. The purchaser, and any successors, shall have the same rights and liens as the contractor to collect and enforce the assessments and all bonds issued to represent unpaid assessments. If the work and improvement consists, in part, of a conversion and, in part, of other types of work or improvement under this division, the legislative body may provide, in the resolution of intention, that the costs and expenses of conversion is part of the incidental expenses to be advanced to the city by the contractor and to be included in the assessment. Any payments made

upon assessments, any proceeds from the sale of the warrant, assessment, and diagram or bonds, and any incidental expenses so advanced to the city may be used by the city for the purpose of making payments to a public utility or public agency pursuant to an agreement made under Section 5896.9.

SEC. 151. Section 5896.11 is added to the Streets and Highways Code, to read:

5896.11. If the city furnishes electric or communication service by means of electric or communication facilities owned or operated by the city, the legislative body, in the resolution ordering work, may provide that the work or improvement of conversion shall be performed for the price or prices specified in the resolution by the city or any department, agency, commission, or officer of the city having the duty of furnishing the service. To that extent, the provisions of Part 1 (commencing with Section 1100) of Division 2 of the Public Contract Code requiring competitive bidding and the award of the contract to the lowest responsible bidder shall be inapplicable.

SEC. 152. Section 6760 is added to the Streets and Highways Code, to read:

6760. Whenever any railroad track of any description exists upon any streets upon which the legislative body has ordered an improvement to be made, and has excepted the roadbed therefrom, the order, unless the legislative body by resolution has declared to the contrary, shall constitute a requirement that the person having the railroad track improve the roadbed with improvements similar in all respects to, and with the same materials, under the same specifications and superintendence, and to the some inspection and satisfaction as, those ordered to be performed by the order ordering the work.

SEC. 153. Section 6764 is added to the Streets and Highways Code, to read:

6764. When the legislative body acquires jurisdiction to order the improvement to be made, the person having the track on the streets to be improved shall notify, in writing, the superintendent of streets, if the person elects to enter upon the direct performance of the work at its own charge and expense.

The notice shall be delivered to the superintendent of streets within 10 days after the first publication of the notice of award of contract. The omission or neglect to make the election makes the superintendent of streets the agent of the owner of the track, with authority to enter into a contract in accordance with Section 20852 of the Public Contract Code for making the improvements.

SEC. 154. Section 6772 is added to the Streets and Highways Code, to read:

6772. The legislative body, by ordinance, may prescribe and enforce additional regulations and penalties that it deems necessary to compel the improvement in accordance with this part of any portion of any street which is occupied by a railroad track.

SEC. 155. Section 6780 is added to the Streets and Highways Code, to read:

6780. Whenever any railroad track of any description exists upon any street which has been paved, macadamized, graveled, capped, or oiled either for the whole, or any portion of, the width of the roadway thereof along or near the line of the railroad track, and the roadbed thereof has not been improved similarly in all respects to and with the same materials as the street along the line of the track; or where any portion of the roadbed, whether so improved or not is out of repair or is not on the official grade of the street or has small hummocks or ridges or loose rock upon or along the roadbed or the materials composing the roadbed next to the rails of the track are not flush with the top of the rails or the sides thereof, the legislative body may, by resolution, require and order the person having or owning the railroad track to improve the roadbed thereof by making repairs or by bringing the roadbed to the official grade or removing the hummocks or ridges or loose rock upon or along the roadbed or making the roadbed and the materials thereof flush with the top or sides of the rails of the track.

SEC. 156. Section 6781 is added to the Streets and Highways Code, to read:

6781. The legislative body may require and order any or all of the work designated in the resolution to be done in the manner designated therein.

SEC. 157. Section 6782 is added to the Streets and Highways Code, to read:

6782. The legislative body may also require, by resolution, any person to pave alongside of, and contiguous to, its rails with special type of brick or paving blocks or other material.

SEC. 158. Section 6783 is added to the Streets and Highways Code, to read:

6783. The resolution to require and order the work shall be personally served upon the person having or owning the railroad track, or service thereof may be made upon any agent, representative, or officer of that person. When served, the resolution is notice to that person of the intention to order the work designated in the resolution.

SEC. 159. Section 6784 is added to the Streets and Highways Code, to read:

6784. The person served shall notify, in writing, the superintendent of streets of the city where the work is to be done if the person elects to enter upon the direct performance of the work at his or her own charge or expense. The notice shall be delivered to the superintendent of streets within 10 days after the service of the resolution requiring the work.

SEC. 160. Section 6785 is added to the Streets and Highways Code, to read:

6785. The omission or neglect to make the election by delivering the notice makes the superintendent of streets the agent of the

owner of the track with the authority to enter into a contract made in accordance with this chapter and the Public Contract Code for doing the work.

The superintendent of streets shall thereupon be vested with authority to, and he or she shall, advertise for bids for the work and fix in the notice the time for receiving bids which shall be not less than five days from the first publication of the notice.

SEC. 161. Section 6794 is added to the Streets and Highways Code, to read:

6794. The legislative body, by ordinance, may prescribe and enforce additional regulations and penalties that it deems necessary to compel the doing of the work as provided in this chapter on any portion of any street occupied by any railroad track.

SEC. 162. Section 10506 is added to the Streets and Highways Code, to read:

10506. At any time after the preliminary approval of the report provided for in Section 10300, by resolution adopted by a vote of two-thirds of all its members and without calling for bids, the legislative body may order that the municipality itself execute any or all of the improvement in accordance with the specifications and plans adopted for the work.

SEC. 163. Section 10507 is added to the Streets and Highways Code, to read:

10507. The legislative body, on ordering the municipality itself to execute the improvement, may authorize the municipality to employ the labor, and provide the material, appliances, supplies, and illuminating agent necessary to carry out the work.

SEC. 164. Section 10508 is added to the Streets and Highways Code, to read:

10508. The cost and expenses of work executed by the municipality itself shall be paid out of the improvement fund, but the amount appropriated and used from the fund for this purpose shall not exceed the amount of the bid upon which the award of the contract was made, or if no bids are received or the work is ordered without asking for bids, the cost and expenses shall not exceed the amount of the estimate provided for in subdivision (c) of Section 10204. If the cost and expenses do exceed the amount of the bid, or of the estimate in case no bids are received or the work is ordered without asking for bids, the excess shall be paid from the general fund in the treasury.

SEC. 165. Section 19002 is added to the Streets and Highways Code, to read:

19002. This part provides an alternative system for making the improvements authorized by this part, and this part does not apply to or affect any other provisions of this code. When any proceedings are commenced under this part, the provisions of this part and no others apply to the proceedings.

SEC. 166. Section 19165 is added to the Streets and Highways Code, to read:

19165. Upon the receipt of a petition signed by owners of taxable property representing 60 percent or more of the total assessed valuation of all taxable property within an existing highway lighting district, or within a temporary zone requested to be established by the petition in the manner provided in this chapter, the governing body of the district may replace an obsolete lighting system with a new modern county- or utility-owned lighting system where necessary for the proper operation of the district or of the portion thereof lying within the temporary zone.

SEC. 167. Section 19165.1 is added to the Streets and Highways Code, to read:

19165.1. As an alternative to the petition procedure, the board of supervisors, by a four-fifths vote, may determine that the public safety and convenience require replacement of an obsolete system. The resolution may propose that a temporary zone be established, which zone will be benefited by the work, for the purpose of levying a special tax in the zone to finance the cost of the work.

The resolution shall contain that matter required by Section 19166. Notice and hearing of the resolution shall be substantially as required by Sections 19168 and 19169. If the board of supervisors determines at the hearing, by a four-fifths vote, that it is just and equitable and in the public interest that the obsolete lighting be replaced and that the proposed temporary zone be formed, it shall fix and describe the boundaries of the proposed zone in a manner so as to exclude any territory which will not be benefited by inclusion in the zone; it shall declare the zone established; it shall designate the zone by a name or number; and it shall specify the duration and purposes of the zone, not to exceed 10 years from the beginning of the next ensuing fiscal year in which a special tax levy may be made in the zone.

Except as provided in this section, any zone formed under this section is subject to Chapter 9.5 (commencing with Section 19165).

SEC. 168. Section 19166 is added to the Streets and Highways Code, to read:

19166. A petition asking for the removal of obsolete lights and their replacement with modern county- or utility-owned lights pursuant to this chapter may request the board of supervisors to establish a temporary zone consisting solely of contiguous territory within the district which will be benefited by the replacement lights, for the purpose of levying a special tax therein to finance the cost of removal of the old lights and installation and temporary maintenance of the new lights. The petition shall contain all of the following:

(a) A general description of the nature of the proposed replacement lights, together with a map showing the location thereof.

(b) An estimate of all costs or charges which will be incurred in connection with the removal of the old lights and the installation of the new lights, together with a statement as to the period of time, not to exceed three years, proposed for the payment of the costs or

charges.

(c) An estimate of the average monthly cost of maintenance of the replacement lights.

(d) A description of the boundaries of the proposed temporary zone.

A proposal to form a temporary zone pursuant to this section is subject to Chapter 3 (commencing with Section 58850) of Title 6 of Division 2 of the Government Code to the same extent as a proposal to form a district.

SEC. 169. Section 22006 is added to the Streets and Highways Code, to read:

22006. "Improvement" includes the planting, maintenance, or removal of trees, and any and all acts necessarily incident thereto.

SEC. 170. Section 22110 is added to the Streets and Highways Code, to read:

22110. The city forester, under the direction of the board, shall do, or cause to be done, all of the work ordered to be done by the city council under this part.

SEC. 171. Section 22679 is added to the Streets and Highways Code, to read:

22679. The legislative body may (a) provide for the construction or installation of any improvements authorized by Part 1 (commencing with Section 22000) of this division by proceedings taken pursuant to any other special assessment law or, in the case of a charter city, any procedural ordinance of the city and, (b) provide for the maintenance or servicing of those improvements by proceedings taken pursuant to Article 59 (commencing with Section 20890) of Chapter 1 of Part 3 of Division 2 of the Public Contract Code. The proceedings may be taken separately or combined. If combined, any of the several resolutions, reports, notices or other instruments provided for in Article 59 may be combined with those provided for in the other special assessment law or procedural ordinance.

SEC. 172. Section 25261 is added to the Streets and Highways Code, to read:

25261. During the course of the improvement of any highway, the highway or project shall be under the control of the board of directors. The board of directors may adopt necessary regulations, not in conflict with law, concerning the use of the highway. During that period, the board may exclude from the highway any vehicular or other traffic which, in the opinion of the board of directors, may be detrimental to the public safety or will result in injury to the roadway during the progress of the improvement.

SEC. 173. Section 25262 is added to the Streets and Highways Code, to read:

25262. All laws relating to the use of state highways are applicable to any highways under the control of any district.

SEC. 174. Section 27164 is added to the Streets and Highways Code, to read:

27164. The district may acquire, or contract to acquire, and may construct under contract, or by its own employees, maintain, improve, and operate bridges, abutments, rights-of-way, roads, tunnels, railroads, streetcar lines, interurban lines, telephone and telegraph lines, footpaths, viaducts, tollgates, tollhouses, subways, and all other forms of property necessary or proper for the successful prosecution of the project for which the district was organized, or which may be authorized by the board of directors of the district under its powers, including all machinery or other property useful or necessary to construct, maintain, operate, or otherwise make use of toll bridges and highways, and complete, add to, repair, or otherwise improve, any of the property acquired by it.

SEC. 175. Section 27170 is added to the Streets and Highways Code, to read:

27170. The district may make contracts, employ labor, and all kinds of employees, whether skilled or unskilled, for the purpose of carrying on the business of the district.

SEC. 176. Section 27173 is added to the Streets and Highways Code, to read:

27173. The work of constructing, repairing, relocating, or otherwise providing any of the highways or approaches composed of the structures or improvements mentioned in Part 3 (commencing with Section 27000) of Division 15 of this code or Article 60 (commencing with Section 20910) of Chapter 1 of Part 3 of Division 2 of the Public Contract Code, may be done by any district in cooperation with a city, county, joint highway district, or other district formed for the improvement or building of roads, or in cooperation with the state.

For the purpose of doing work or acquiring rights-of-way therefor, the board may authorize a contract to be entered into between the district and the political subdivision or agency of the state with which it proposes to cooperate, and full power and authority is granted to the city, county, joint highway, or other district, or the Department of Transportation, to enter into the contracts for cooperative work, construction, or purchase of rights-of-way, in such a manner and upon such apportionment of the cost thereof as may be agreed upon between them. For this purpose, the contracting parties may designate engineers, county surveyors, or other necessary officials or employees to take charge of the particular work, and provide for the payment of the cost of the work out of funds contributed by the contracting parties. The plans and specifications for the work shall be approved by both of the contracting parties, and the work may be carried out by either one of the contracting parties as the agent of the other, or it may be carried out under the joint management of both of the contracting parties.

Any project undertaken by a district alone, or in cooperation with any of the agencies mentioned, may be accomplished by federal aid under rules which may be prescribed by the federal agencies involved.

Any work may extend across, through, or within any city, county, joint highway district, or other district, if the work is an extension of an approach to a bridge operated by the district and connects the bridge as a main or alternate route with state highways or other through routes leading to or from the bridge.

CHAPTER 196

An act to add Section 46010.1 of the Education Code, relating to schools, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 26, 1986 Filed with Secretary of State June 27, 1986]

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

SECTION 1. Section 46010.1 is added to the Education Code, to read:

46010.1. Commencing in the fall of the 1986–87 academic year, the governing board of each school district shall, each academic year, notify pupils in grades 7 to 12, inclusive, and the parents or guardians of all pupils enrolled in the district, that school authorities may excuse any pupil from the school for the purpose of obtaining confidential medical services without the consent of the pupil's parent or guardian.

The notice required pursuant to this section may be included with any other notice given pursuant to this code.

SEC. 2. Reimbursement to local agencies and school districts for costs mandated by the state pursuant to this act shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code and, if the statewide cost of the claim for reimbursement does not exceed five hundred thousand dollars ($500,000), shall be made from the State Mandates Claims Fund.

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

In order for the provisions of this act to apply with the commencement of the 1986–87 academic year, it is necessary for this act to take effect immediately.

CHAPTER 197

An act to add Section 55409 to the Food and Agricultural Code, relating to wine grapes.

[Approved by Governor June 26, 1986. Filed with Secretary of State June 27, 1986.]

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

SECTION 1. Section 55409 is added to the Food and Agricultural Code, to read:

55409. Juice or must used for wine which, as a condition of sale, is required to be pressed or crushed from grapes in the field or at a facility not owned by the purchasing vintner, is a farm product for purposes of this chapter. Juice or must which was not required to be pressed or crushed from grapes as a condition of a sale, and which is stored for the account of the producer who grew the grapes, is not a farm product when it is sold.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

CHAPTER 198

An act to add Sections 30526 and 31108.5 to the Public Resources Code, relating to the coastal zone.

[Approved by Governor June 26, 1986. Filed with Secretary of State June 27, 1986.]

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

SECTION 1. Section 30526 is added to the Public Resources Code, to read:

30526. (a) Because of the intensity of development contemplated, the area's steep topography and highly erodible soils, and the demonstrated impacts from development despite the utilization of mitigation measures, the Legislature finds that the threat from development to wetlands in the City of San Diego requires that a mitigation fee program be included in the city's local coastal program. Therefore, the City of San Diego shall provide in its local coastal program for payment of a reasonable fee to the State Coastal Conservancy by applicants for a coastal development permit if the proposed development has, or is reasonably expected to have,

a direct and significant effect on coastal resources within a specific geographic watershed in the coastal zone which can be mitigated through the incorporation of feasible onsite and offsite mitigation measures into the proposed development and through the mitigation fee program.

(b) Fees paid by an applicant pursuant to subdivision (a) shall be deposited in an account established by the State Coastal Conservancy . None of the funds in the account shall be appropriated for any purpose not specified in this section. Except as provided in this section, any fee paid pursuant to this section may only be used to restore, replace, or improve resources or ecological systems which are adversely affected by the proposed development and with respect to which the fee constitutes partial or total mitigation. Any fees established pursuant to this section are not required for any development that is undertaken by a public agency for the purpose of providing resource enhancement or public recreation. In the event that mitigation of all development impacts cannot be feasibly carried out within the watershed, the conservancy may, with the approval of the local government and the commission, complete the mitigation for the development outside of the watershed.

(c) This section and Section 31108.5 apply only to the Los Penasquitos Lagoon area in the City of San Diego.

SEC. 2. Section 31108.5 is added to the Public Resources Code, to read:

31108.5. The conservancy shall not expend any fees received pursuant to Section 30526, except to restore, replace, or improve resources or ecological systems in a manner that is consistent with the certified local coastal program of the local public agency in whose jurisdiction the development is located, or in whose jurisdiction the site of the mitigation project is to be located, as the case may be, and only after full consultation and consent of that local public agency.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because this act is in accordance with the request of a local agency or school district which desired legislative authority to carry out the program specified in this act.

CHAPTER 199

An act to amend Sections 20013.7, 20390, 20393, 20653, 20813.1, 20950.1, 21224.5, 21251.146, 21251.147, 21251.15, 21292.51, 21292.6, 21296.01, 22754, 22790, and 22850.3 of, to add Sections 20803.95 and 21292.3 to, and to repeal Section 21262 of, the Government Code, relating to the Public Employees' Retirement System, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 26, 1986. Filed with Secretary of State June 27, 1986]

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

SECTION 1. Section 20013.7 of the Government Code is amended to read:

20013.7. (a) Effective January 1, 1985, there shall be an alternative level of benefits available to the following state miscellaneous members: (1) members who are excluded from the definition of state employee in subdivision (c) of Section 3513; (2) members who are supervisory employees as defined in Section 3522.1; (3) members employed by the executive branch of government who are not members of the civil services; and (4) members in state bargaining units for which a memorandum of understanding has been agreed to by the state employer and the recognized employee organization to become subject to this section. Effective September 1, 1986, this section shall apply to members employed by the state as provided for in Article VI of the Constitution. The board shall provide the affected members a one-month election period commencing on August 1, 1986. This section shall not apply to state miscellaneous members employed by the California State University or the University of California. This section shall not apply to any employee described by Section 20364 unless and until the employer, as defined in Section 20817, adopts a resolution approving that application.

(b) Effective September 1, 1986, there shall be an alternate level of benefits available to the following state industrial members: (1) members in State Bargaining Unit No. 1, Administrative, Financial, and Staff Services, State Bargaining Unit No. 2, Attorney and Hearing Officer, and State Bargaining Unit No. 16, Physician, Dentist, and Podiatrist, provided that a memorandum of understanding has been agreed to by the state employer and the recognized employee organization to become subject to this section; (2) members who are excluded from the definition of state employees in subdivision (c) of Section 3513; (3) members who are supervisory employees as defined in Section 3522.1; and (4) members employed by the executive branch of government who are not members of the civil service. The board shall provide the affected members a one-month election period commencing on August 1, 1986.

(c) Members eligible to participate in the alternative level of benefits (hereinafter in this part referred to as the Second Tier) may make an irrevocable election to: (1) become subject to the Second Tier benefits provided for in Section 21251.146 for all past state miscellaneous and state industrial service and all future state miscellaneous and state industrial service not excluded by this section; or (2) become subject to the Second Tier benefits provided for in Section 21251.147 for state miscellaneous and state industrial service rendered on and after the effective date of the election to be

subject to the Second Tier. Any election by a member to be subject to Section 21251.146 or Section 21251.147 shall also be signed by the spouse of the member and both signatures shall be notarized.

On an annual basis, the board shall provide a 30-day period for eligible members to make an irrevocable election to be subject to the Second Tier level of benefits provided for in Section 21251.146 or Section 21251.147. Eligible members who previously elected Section 21251.147 may make an irrevocable election to become subject to Section 21251.146 for all past state miscellaneous and state industrial service during this annual election period.

(d) Persons who become state miscellaneous or state industrial members described in this section or who become such members under Article 3 (commencing with Section 20360) of Chapter 3 of this part on or after the Second Tier effective date applicable to the member, shall be subject to Section 21251.147 unless an election is filed with the board to be subject to Section 21251.13. The appointing authority shall provide the member with the election form and the member shall make the election within 120 days of becoming a member.

(e) A state miscellaneous or state industrial member who, on or after the effective date of an election to be subject to Section 21251.146 or Section 21251.147, ceases to be a member pursuant to Section 20390 or Section 20390.1 shall, upon again becoming a state miscellaneous or state industrial member, be subject to Section 21251.146 or Section 21251.147 in accordance with his or her previous irrevocable election. This subdivision does not apply to persons who return to membership as employees of the California State University.

Except as otherwise provided in this part, a state miscellaneous or state industrial member subject to Section 21251.146 or Section 21251.147 is subject to all other provisions applicable to state miscellaneous members except those provisions that provide for the payment of an annuity based on contributions. Notwithstanding anything to the contrary in this part, member contributions are not required for any service credit that is subject to Section 21251.146.

(f) The board shall report to the Governor, the Legislature, and the Department of Personnel Administration on the savings which are the result of the implementation of the Second Tier retirement plan for state miscellaneous and state industrial members. The report shall first be submitted in April 1986, and annually in April of every year thereafter until April 1990.

SEC. 2. Section 20390 of the Government Code is amended to read:

20390. A person ceases to be a member:

(a) Upon retirement, except while participating in reduced worktime for partial service retirement.

(b) If he or she is paid his or her normal contributions, unless payment of contributions is the result of an election pursuant to paragraph (1) of subdivision (b) of Section 20013.7, or unless, after

reducing the member's credited service by the service applicable to the contributions being withdrawn, the member meets the requirements of Section 20390.1 or if he or she is paid a portion of his or her normal contributions where more than one payment is made, or these contributions are held pursuant to Section 20208. For the purposes of this subdivision, (1) deposit in the United States mail of a warrant drawn in favor of a member, addressed to the latest address of the member on file in the office of this system, constitutes payment to the member of the amount for which the warrant is drawn or (2) electronic fund transfer to the person's bank, savings and loan association or credit union account, constitutes payment to the person of the amount of the warrant of funds electronically transferred.

(c) If the member has less than five years of service credit and no accumulated contributions in the retirement fund at the time of termination of service.

SEC. 3. Section 20393 of the Government Code is amended to read:

20393. Notwithstanding any other provision of this part, a member who is credited with less than the years of service specified in Article 1 (commencing with Section 20950) of Chapter 8 of this part who enters employment as a member of a public retirement system supported, in whole or in part, by state funds, including the University of California Retirement System, or as a member of a retirement system established under the County Employees Retirement Law of 1937, within six months of leaving state service, shall have the right to elect to leave such accumulated contributions on deposit in the retirement fund. Failure to make such election shall be deemed an irrevocable election to withdraw such accumulated contributions. This section shall also apply to a member who is subject to Section 21251.146, except that no election to leave contributions on deposit is required for service that is subject to Section 21251.146.

An election to allow accumulated contributions to remain in the retirement fund may be revoked by the member at any time, except: (1) while the member is employed in state service in a position in which the member is not excluded from membership with respect to such service; or (2) while the member is in service as a member of a public retirement system supported, in whole or in part, by state funds, including the University of California Retirement System; or (3) while the member is in service, entered within six months after discontinuing state service, as a member of a retirement system established under the County Employees Retirement Law of 1937. All contributions accumulated up to the time of revocation may then be withdrawn. A member whose membership continues under this section is subject to the same age and disability requirements as apply to other members for service or for disability retirement. After the qualification of such member for retirement by reason of age, which shall be the lowest age applicable to any membership category

in which the member has credited service, or disability, the member shall be entitled to receive a retirement allowance based upon the amount of the member's accumulated contributions and service standing to the member's credit at the time of retirement and on the employer contributions held for the member and calculated in the same manner as for other members, except that the provisions in this part for minimum service and disability retirement allowances shall not apply to the member, unless the member meets such minimum service requirements. If a basic death benefit becomes payable under Article 5 (commencing with Section 21360) of Chapter 9 of this part because of death before retirement of such a member, the average annual compensation earnable in the year preceding the date of termination of such service, rather than in the year preceding death, shall be used in computing such benefit under such Article 5 of Chapter 9.

The provisions of this section, as it read prior to June 21, 1971, shall continue with respect to a member whose membership continued under this section on such date.

SEC. 4. Section 20653 of the Government Code is amended to read:

20653. A member who elects to be subject to Section 21251.146 shall be paid his or her accumulated contributions plus current year interest through the date on which the claim is filed with the office of the Controller for service rendered as a state miscellaneous or state industrial member. This section does not apply to a member who elects to be subject to Section 21251.147.

SEC. 5. Section 20803.95 is added to the Government Code, to read:

20803.95. Sections 20803.3, 20803.4, 20803.7, 20803.8, and 20803.9 shall not apply to a state miscellaneous or state industrial member subject to Section 21251.146 or Section 21251.147 who becomes a patrol member, a state safety member, or a state peace officer/firefighter member as a result of an amendment to this part defining such members, or is reclassified as a state peace officer/firefighter member pursuant to Sections 20017.98 or 20017.99, unless the member elects to: (a) deposit in the Retirement Fund an amount equal to any accumulated contributions that he or she withdrew pursuant to Section 20653, plus an amount equal to the interest which would have been credited to his or her account, to the date of completion of payments, had such contributions not been withdrawn; and, (b) deposit in the Retirement Fund the amount which he or she would have contributed had he or she not been subject to subdivision (c) of Section 20603, plus an amount equal to the interest, to the date of completion of payments, which would have been credited to those contributions had he or she been subject to subdivision (a) or (b) of Section 20603.

SEC. 6. Section 20813.1 of the Government Code is amended to read:

20813.1. A member who elects to be subject to Section 21251.146

shall be credited at no cost with all creditable previous state miscellaneous or state industrial service after the member is credited with one year of service under Section 21251.146. The member shall apply for and identify time periods for such service to the board. The one-year requirement shall be waived if the person becomes disabled pursuant to Section 21020. This section shall not apply to a member who elects to be subject to Section 21251.147.

SEC. 7. Section 20950.1 of the Government Code is amended to read:

20950.1. A state miscellaneous member, other than one subject to Section 21251.13, shall be retired for service upon his or her written application to the board if he or she has attained age 55 and is credited with 10 years of state service, except that a member who elects pursuant to Section 21251.146 or Section 21251.147 may retire if he or she has attained age 50 and is credited with less than 10 years of state service if the member has five years of service prior to January 1, 1985.

SEC. 8. Section 21224.5 of the Government Code is amended to read:

21224.5. Notwithstanding anything to the contrary in this article, the monthly allowance for service subject to Section 21251.146 or Section 21296.01 shall be adjusted annually beginning with the second calendar year following retirement for time commencing on April 1 and payable on the first day of May. The adjusted monthly allowance shall be equal to the base allowance increased by 3 percent per year compounded for the number of years intervening between the end of the base year and the beginning of the calendar year in which the adjustment is made.

SEC. 9. Section 21251.146 of the Government Code is amended to read:

21251.146. The service retirement allowance for a state miscellaneous or state industrial member who has elected the benefits of this section is a pension equal to the fraction of one-hundredth of the member's final compensation set forth opposite the member's age at retirement, taken to the preceding completed quarter year in the following table, multiplied by the member's number of years of state miscellaneous service:

Age at Retirement	Fraction
50	.5000
50¼	.5125
50½	.5250
50¾	.5375
51	.5500
51¼	.5625
51½	.5750
51¾	.5875
52	.6000

52¼	.6125
52½	.6250
52¾	.6375
53	.6500
53¼	.6625
53½	.6750
53¾	.6875
54	.7000
54¼	.7125
54½	.7250
54¾	.7375
55	.7500
55¼	.7625
55½	.7750
55¾	.7875
56	.8000
56¼	.8125
56½	.8250
56¾	.8375
57	.8500
57¼	.8625
57½	.8750
57¾	.8875
58	.9000
58¼	.9125
58½	.9250
58¾	.9375
59	.9500
59¼	.9625
59½	.9750
59¾	.9875
60	1.0000
60¼	1.0125
60½	1.0250
60¾	1.0375
61	1.0500
61¼	1.0625
61½	1.0750
61¾	1.0875
62	1.1000
62¼	1.1125
62½	1.1250
62¾	1.1375
63	1.1500
63¼	1.1625
63½	1.1750
63¾	1.1875
64	1.2000
64¼	1.2125

64½	1.2250
64¾	1.2375
65	1.2500

SEC. 10. Section 21251.147 of the Government Code is amended to read:

21251.147. The service retirement allowance for a state miscellaneous or state industrial member who elects to be subject to this section shall be: the sum of the allowance for service rendered subsequent to the effective date of the election, computed pursuant to Section 21251.146, added to the allowance for service rendered as a state miscellaneous or state industrial member prior to the effective date of the election, computed pursuant to Section 21251.13.

SEC. 11. Section 21251.15 of the Government Code is amended to read:

21251.15. For a member reinstated from service retirement or partial service retirement, the current service pension, or current and prior service pensions, as the case may be, upon his or her service retirement subsequent to such reinstatement, shall be the sum of (1) a current service pension calculated on the basis of service rendered after reinstatement in accordance with the formula applicable to him or her in such service and membership, plus, if such subsequent retirement occurs before he or she renders, after his or her reinstatement, at least one year of state service credited under this system, (2) his or her current service pension, or current and prior service pensions, as the case may be, as it was prior to his or her reinstatement, adjusted for any service on which such pension was based which was included in coverage of the federal system during reinstatement according to the formula applicable to such service in employment for which he or she was retired, and further adjusted according to any change after reinstatement in the provisions governing the calculation of his or her pension which would have applied to him or her had he or she continued in retirement but been subject to the formula applied in the first adjustment; or, for state miscellaneous and state industrial service subject to Section 21251.146, in lieu of (2), plus (3) a current service pension, or current and prior service pensions, as the case may be, as it would have been prior to his or her reinstatement under the formula applicable to Section 21251.146, adjusted for any service on which such pension was based which was included in coverage of the federal system during reinstatement according to the formula applicable to such service in employment for which he or she was retired, and further adjusted according to any change after reinstatement in the provisions governing the calculations of his or her pension which would have applied to him or her had he or she continued in retirement and been subject to the formula applicable to Section 21251.146, or if he or she has rendered one year or more of state service after reinstatement, in lieu of (2) or (3), plus (4), a current service pension based on current service rendered prior to such reinstatement, calculated

on the basis of the formula currently applicable to the employment in which the service was rendered but on the basis of an age taken to the preceding completed quarter year but not less than the minimum retirement age applicable to him or her at his or her last retirement and determined by deducting from his or her at his or her subsequent retirement, the aggregate time during which he or she was under retirement. For such a member reinstated from nonindustrial disability retirement, the current service pension upon his or her service retirement after attaining an age one year less than the minimum age at which he or she could have retired without an actuarial discount because of age in the employment from which he or she was last retired, or upon his or her disability retirement after attaining such minimum age, and subsequent to such reinstatement, shall be calculated in the manners described in the preceding sentence, but the age determined upon subsequent retirement after rendering at least one year of state service credited under the system shall not be taken at less than one year less than such minimum age if the subsequent retirement is for service, or such minimum age if the retirement is for disability.

The current service pension otherwise payable under this section to a member whose allowance prior to reinstatement was paid pursuant to his or her election under Section 21338 shall be reduced by the actuarial equivalent, on the date of retirement subsequent to reinstatement, of the amount (converted as below), if any, by which—

(a) The total amount, paid in the period during which a temporary annuity was included in the payments, said amount being reduced by the total amount that would have been payable during said period had said election not been made; exceeds

(b) The excess of the total amount that would have been payable, had said election not been made, during the time subsequent to said period and prior to reinstatement over the total amount actually paid during said time.

The amount determined by the above formula shall be converted to an amount equaling the actuarial equivalent on the date of reinstatement and this latter amount shall be the basis of the actuarial equivalent, on the date of retirement subsequent to reinstatement.

Actuarial equivalents required by this section shall be based on the interest rate and mortality tables in use by this system on the date of retirement subsequent to reinstatement.

Notwithstanding this section, or any other provision of this part, the current service pension payable to any member subject to this section who rendered one year or more of state service credited under the system after reinstatement on retirement for service subsequent to reinstatement from service retirement for any credited service for which a current service pension was paid prior to reinstatement shall not be less than the current service pension which would be payable on the date of such subsequent retirement had the member not been reinstated, or for state miscellaneous and state industrial service subject to Section 21251.146, the current ser-

vice pension payable for any credited service for which a current service pension was paid prior to reinstatement shall not be less than the current service pension which would have been payable on the date of the subsequent retirement had the member's retirement been subject to the formula under Section 21251.146 and had not been reinstated, adjusted, however, by any reduction under this section because of an election under Section 21338 and, for any service so credited which was included in coverage of the federal system during reinstatement, according to the formula applicable to such service in employment from which he or she was retired.

SEC. 12. Section 21262 of the Government Code is repealed.

SEC. 13. Section 21292.3 is added to the Government Code, to read:

21292.3. Upon the industrial disability retirement of a state miscellaneous member within Section 21022.2, or a state industrial member, who is not subject to Section 21292.6, whose service is subject to Section 21251.146, the disability allowance shall be 50 percent of his or her final compensation plus an annuity purchased with his or her accumulated additional contribution, if any, or if qualified for service retirement, he or she shall receive his or her service retirement allowance, if such allowance, after deducting the annuity, is greater.

SEC. 14. Section 21292.51 of the Government Code is amended to read:

21292.51. Notwithstanding any provision of this part, a state safety member employed by the Department of Corrections or the Department of the Youth Authority with 25 years or more of service credit as such, shall, upon retirement on or after January 1, 1982, for industrial disability, receive the disability allowance provided for in Section 21292.5 or a disability allowance equal to 1/50th of final compensation multiplied by the number of years of state safety member service in the Department of Corrections or the Department of the Youth Authority with which the member is credited at retirement.

This section shall not become operative for any eligible member, unless and until it is first agreed to in a memorandum of understanding reached between the state and the exclusive representatives of the employees in State Bargaining Unit No. 6 pursuant to the State Employer-Employee Relations Act, Chapter 10.3 (commencing with Section 3512) of Division 4 of Title 1, and approved by the Legislature pursuant to law.

Payment of benefits pursuant to this section for any eligible member shall be retroactive to the effective date of the retirement of the member.

SEC. 15. Section 21292.6 of the Government Code is amended to read:

21292.6. Notwithstanding any other provision of this part, the industrial disability retirement allowance of a member whose membership commenced after January 1, 1980, in the category of membership in which the member was serving at the time of suffering the disability or incurring the disease causing retirement for industrial

disability, shall not exceed the service retirement allowance that would be payable as a result of service in that category of membership if the member's service had continued to age 55, if a patrol, state peace officer/firefighter member, state safety, or local safety member, age 65, if service is subject to Section 21251.146, or age 63, if any other category of member.

This section shall not be applicable to a member who is subject to Section 21307, or a member whose disability results from an injury which is a direct consequence of a violent act perpetrated upon his or her person or occurs during the performance of those portions of his or her duties which are particularly hazardous and dangerous.

SEC. 16. Section 21296.01 of the Government Code is amended to read:

21296.01. The disability retirement pension for state miscellaneous or state industrial service subject to Section 21251.146 shall be either of the following:

(a) Ninety percent of the factor applicable at age 65 as set forth in Section 21251.146 times final compensation multiplied by the number of years of service credited to him or her.

(b) If the disability retirement allowance computed under subdivision (a) does not exceed one-third of his or her final compensation, 90 percent of the benefit which would be payable to the member had the member continued in employment until age 65, but in such case the retirement allowance shall not exceed one-third of the final compensation.

(c) If the disability retirement allowance is derived from this section and Section 21296, and would otherwise exceed such maximums, the pension payable with respect to each section shall be reduced in the same proportion as the allowance bears to the total allowance computed as though there was no limit, so that the total of such pensions shall equal the maximum allowed. This subdivision is not applicable to members who are not entitled, at time of retirement, to be credited with at least 10 years of state service.

SEC. 17. Section 22754 of the Government Code is amended to read:

22754. As used in this part the following definitions, unless the context otherwise requires, shall govern the interpretation of terms:

(a) "Board" means the Board of Administration of the Public Employees' Retirement System.

(b) "Employee" means any officer or employee of the State of California or of any agency, department, authority, or instrumentality of the state including the University of California, or any officer or employee who is a local or school member of the Public Employees' Retirement System employed by a contracting agency which has elected to be or otherwise has become subject to this part, or who is a member or retirant of the State Teachers' Retirement System employed by an employer who has elected to become subject to this part, except persons employed on an intermittent, irregular or less than half time basis, or employees similarly situated, or em-

ployees in respect to whom contributions by the state for any type of plan or program offering prepaid hospital and medical care are otherwise authorized by law.

(c) "Carrier" means a private insurance company holding a valid outstanding certificate of authority from the Insurance Commissioner of the state, a medical society or other medical group, a nonprofit hospital service plan qualifying under Chapter 11A (commencing with Section 11491) of Part 2 of Division 2 of the Insurance Code, or nonprofit membership corporation lawfully operating under Section 9200 or Section 9201 of the Corporations Code, or a health care service plan as defined under subdivision (f) of Section 1345 of the Health and Safety Code, or a health maintenance organization approved under Title XIII of the federal Public Health Services Act, which is lawfully engaged in providing, arranging, paying for, or reimbursing the cost of personal health services under insurance policies or contracts, medical and hospital service agreements, membership contracts, or the like, in consideration of premiums or other periodic charges payable to it.

(d) "Health benefits plan" means any program or entity that provides, arranges, pays for, or reimburses the cost of health benefits.

(e) "Annuitant" means:

(1) Any person who has retired within 120 days of separation from employment and who receives any retirement allowance under any state or University of California retirement system to which the state was a contributing party.

(2) A family member receiving an allowance as the survivor of an annuitant who has retired as provided in paragraph (1), or as the survivor of a deceased employee under Section 21364, 21365.5 or 21382 or similar provisions of any other state retirement system.

(3) Any person who, at the time of separation from employment because of disability, was enrolled in a health benefits plan and who enters a rehabilitation program under Section 139.5 of the Labor Code and retires for disability within 120 days of termination of the rehabilitation program.

(f) "Family member" means an employee's or annuitant's spouse and any unmarried child (including an adopted child, a stepchild, or recognized natural child who lives with the employee or annuitant in a regular parent-child relationship). The board shall, by regulation, prescribe age limits and other conditions and limitations pertaining to unmarried children.

(g) "Contracting agency" means any contracting agency as defined in Section 20010, any county or special district subject to the County Employees Retirement Law of 1937 (Chapter 3 (commencing with Section 31450) of Part 3 of Division 4 of Title 3), and any special district, school district, county board of education, personnel commission of a school district, or a county superintendent of schools.

(h) "Employer" means the state, any contracting agency employing an employee, and any agency which has elected to become subject to this part pursuant to Section 22856.

SEC. 18. Section 22790 of the Government Code is amended to read:

22790. The board may contract with carriers for health benefits plans for employees and annuitants and major medical plans or approve health benefit plans offered by employee organizations, provided that the carriers have operated successfully in the prepaid hospital and medical care field prior to the contracting for or approval thereof. The plans may include hospital benefits, surgical benefits, in-hospital medical benefits, outpatient benefits, and obstetrical benefits, and benefits offered by a bona fide church, sect, denomination or organization whose principles include healing entirely by prayer or spiritual means. The board shall contract with a sufficient number of carriers and plans that provide chiropractic services so that every employee and annuitant shall have a reasonable opportunity to enroll in a plan that provides chiropractic services without prior referral by a physician. The board may contract with health maintenance organizations approved under Title XIII of the federal Public Health Services Act.

Notwithstanding any other provision of this part, the board also may contract with health plans offering unique or specialized health services.

The board shall approve any employee association health benefits plan which was approved by the board in the 1984–85 contract year, provided the plan continues to meet the minimum standards prescribed by the board.

SEC. 19. Section 22850.3 of the Government Code is amended to read:

22850.3. Notwithstanding any other provision of this part, a contracting agency shall be subject to this part only with respect to a recognized employee organization upon the filing with the board of a resolution of its governing body electing to be so subject. The resolution shall be adopted by a majority vote and shall be effective at such time as is provided in board regulations.

SEC. 20. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order that the needed corrective, technical, clarifying, and updating amendments proposed by this act to the statutes establishing, for certain state miscellaneous members of the Public Employees' Retirement System, a Second Tier may become effective at the earliest possible time and on or about the commencement of the 1986–87 fiscal year in order to facilitate the orderly administration of the system, it is necessary that this act take effect immediately.

CHAPTER 200

An act to amend Section 18930 of the Health and Safety Code, relating to building standards.

[Approved by Governor June 26, 1986 Filed with Secretary of State June 27, 1986]

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

SECTION 1. Section 18930 of the Health and Safety Code is amended to read:

18930. (a) Any building standard adopted by state agencies shall be submitted, to and approved by, the State Building Standards Commission prior to codification. Prior to submission to the commission, building standards which are adopted by state agencies shall be adopted in compliance with the procedures specified in Article 5 (commencing with Section 11346) of Chapter 3.5 of Part 1 of Division 3 of Title 2 of the Government Code. Building standards adopted by state agencies and submitted to the commission for approval shall be accompanied by an analysis written by the adopting agency which shall, to the satisfaction of the commission, justify the approval thereof in terms of the following criteria:

(1) The proposed building standard does not conflict with, overlap, or duplicate other building standards.

(2) The proposed building standard is within the parameters established by enabling legislation and is not expressly within the exclusive jurisdiction of another agency.

(3) The public interest requires the adoption of the building standards.

(4) The proposed building standard is not unreasonable, arbitrary, unfair, or capricious, in whole or in part.

(5) The cost to the public is reasonable based on the overall benefit to be derived from the building standards.

(6) The proposed building standard is not unnecessarily ambiguous or vague, in whole or in part.

(7) (A) The applicable national specifications, published standards, and model codes have been incorporated therein as provided in this part, where appropriate.

(B) If a national specification, published standard, or model code does not adequately address the goals of the state agency, a statement defining the inadequacy shall accompany the proposed building standard when submitted to the commission.

(C) If there is no national specification, published standard, or model code that is relevant to the proposed building standard, the state agency shall prepare a statement informing the commission and submit that statement with the proposed building standard.

(8) The format of the proposed building standards is consistent with that adopted by the commission.

(9) The proposed building standard, if intended to promote fire and panic safety, has the written approval of the State Fire Marshal.

(b) In reviewing building standards submitted for its approval, the commission shall consider only the following:

(1) Except as provided in subdivision (b) of Section 11342.3 of the Government Code, the record of the proceedings of the adopting agency.

(2) The evidence submitted to, and considered by, the adopting agency.

(c) The commission shall give great weight to the determinations and analysis of the adopting agency on each of the criteria for approval set forth in subdivision (a). Any factual determinations of the adopting agency shall be considered conclusive by the commission unless the commission specifically finds, and sets forth its reasoning in writing, that such factual determination is arbitrary and capricious or substantially unsupported by the evidence considered by the adopting agency.

Whenever the commission makes such a finding, it shall return the standard to the adopting agency for a reexamination of its original determination of the disputed fact.

(d) Whenever a building standard is principally intended to protect the public health and safety, its adoption shall not be a "factual determination" for purposes of subdivision (c). Whenever a building standard is principally intended to conserve energy or other natural resources, the commission shall consider or review the cost to the public or benefit to be derived as a "factual determination" pursuant to subdivision (c). Whenever a building standard is intended to promote fire and panic safety, the commission shall, unless adopted by the State Fire Marshal, submit the building standard to the State Fire Marshal for prior approval.

(e) Whenever the commission finds, pursuant to paragraph (2) of subdivision (a), that a building standard is adopted by an adopting agency pursuant to statutes requiring adoption of the building standard, the commission shall not consider or review whether the adoption is in the public interest pursuant to paragraph (3) of subdivision (a).

CHAPTER 201

An act to amend Sections 12602, 13413, and 13710 of, to repeal Sections 13537, 13538, 13539, 13560, 13563, 13564, 13565, 13566, 13567, and 13569 of, and to repeal Article 15 (commencing with Section 13580) of Chapter 14 of Division 5 of, the Business and Professions Code, relating to petroleum products.

[Approved by Governor June 26, 1986 Filed with Secretary of State June 27, 1986]

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

SECTION 1. Section 12602 of the Business and Professions Code is amended to read:

12602. (a) It is unlawful for any person engaged in the packaging or labeling of any commodity for distribution or sale, or for any person (other than a common carrier for hire, a contract carrier for hire, or a freight forwarder for hire) engaged in the distribution of any packaged or labeled commodity, to distribute or to cause to be distributed any such commodity if the commodity is contained in a package, or if there is affixed to that commodity a label, which does not conform to the provisions of this chapter or the regulations adopted under the authority of this chapter or the provisions of, or the regulations adopted under, Chapter 6.6 (commencing with Section 12665), Chapter 14 (commencing with Section 13400), or Chapter 15 (commencing with Section 13700).

(b) The prohibition contained in subdivision (a) does not apply to persons engaged in business as wholesale or retail distributors of commodities, except to the extent that those persons (1) are engaged in the packaging or labeling of such commodities, (2) prescribe or specify by any means the manner in which such commodities are packaged or labeled, or (3) have knowledge of the violation of any provision of this chapter or of Chapter 6.6 (commencing with Section 12665), Chapter 14 (commencing with Section 13400), or Chapter 15 (commencing with Section 13700).

SEC. 2. Section 13413 of the Business and Professions Code is amended to read:

13413. It is unlawful for any person or other legal entity to make any deceptive, false, or misleading statement by any means whatever regarding quality, quantity, performance, price, discount, or saving used in the sale or selling of any commodity regulated pursuant to this chapter.

The following misleading, unfair, or deceptive acts or practices committed or permitted by any person offering for sale any product which is regulated by this chapter are also a violation of this section:

(a) Misrepresenting the brand, grade, quality, or price of a petroleum product.

(b) Using false or deceptive representations or designations in connection with the sale of petroleum products.

(c) Advertising petroleum products or services and not selling them as advertised.

(d) Advertising petroleum products of a designated brand, grade, trademark, or tradename not actually sold or available for sale.

(e) Making false, deceptive, or misleading statements concerning conditions of sale or price reductions.

(f) Representing that the consumer will receive a rebate,

discount, or other economic benefit and then failing to give that rebate, discount, or other economic benefit.

(g) Except as otherwise permitted, selling a grade of motor fuel at more than one price and advertising only the lower price without advertising each of the higher prices in equal size numerals on the same advertising medium.

(h) Placing letters, words, figures, or numerals on any advertising medium offering for sale any goods or merchandise, other than motor fuel, if the advertising medium may be construed by any reasonable person as advertising a price of motor fuel.

(i) Forging or falsifying any records or documents required by this chapter or knowingly keeping, using, or displaying the false or forged records or documents.

SEC. 3. Section 13537 of the Business and Professions Code is repealed.

SEC. 4. Section 13538 of the Business and Professions Code is repealed.

SEC. 5. Section 13539 of the Business and Professions Code is repealed.

SEC. 6. Section 13560 of the Business and Professions Code is repealed.

SEC. 7. Section 13563 of the Business and Professions Code is repealed.

SEC. 8. Section 13564 of the Business and Professions Code is repealed.

SEC. 9. Section 13565 of the Business and Professions Code is repealed.

SEC. 10. Section 13566 of the Business and Professions Code is repealed.

SEC. 11. Section 13567 of the Business and Professions Code is repealed.

SEC. 12. Section 13569 of the Business and Professions Code is repealed.

SEC. 13. Article 15 (commencing with Section 13580) of Chapter 14 of Division 5 of the Business and Professions Code is repealed.

SEC. 14. Section 13710 of the Business and Professions Code is amended to read:

13710. (a) The department shall establish specifications for antifreeze and coolant which shall promote the public safety in the operation of automotive vehicles. In no event shall the specifications for antifreeze or coolant fall below the minimum specifications, if any, established by the American Society for Testing and Materials.

(b) Any automatic transmission fluid sold without limitation as to type of transmission for which it is intended, shall meet all automotive manufacturers' recommended requirements for transmissions in general use in the state. Automatic transmission fluids which are intended for use only in certain transmissions, as disclosed on the label of its container, shall meet the latest automotive manufacturers' recommended requirements for those

transmissions.

(c) The department shall establish specifications for brake fluid which shall promote the public safety in the operation of automotive vehicles. In no event shall the specifications for brake fluid fall below the minimum specifications established by the National Highway Traffic Safety Administration, United States Department of Transportation.

(d) Any manufacturer or packager of any product regulated by this chapter and sold in the state shall provide, upon request to duly authorized representatives of the department, documentation of any claim made upon their products' label.

SEC. 15. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

CHAPTER 202

An act to amend Section 14018.4 of the Welfare and Institutions Code, relating to public assistance.

[Approved by Governor June 26, 1986. Filed with Secretary of State June 27, 1986]

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

SECTION 1. Section 14018.4 of the Welfare and Institutions Code is amended to read:

14018.4. (a) Reimbursement shall not be denied to any hospital or licensed primary care clinic for care rendered to an eligible Medi-Cal beneficiary for the sole reason that a proof of eligibility label does not accompany the bill, so long as the claim includes other appropriate documentation of eligibility.

(b) The director shall require county welfare departments to issue, upon the request of a hospital or licensed primary care clinic providing care to an eligible Medi-Cal beneficiary, replacement Medi-Cal proof of eligibility labels or other appropriate documentation of eligibility to the hospital, if all of the following conditions are met:

(1) The hospital or licensed primary care clinic attempted to obtain a label from the beneficiary at the time the service was provided.

(2) The hospital or licensed primary care clinic made a subsequent attempt to obtain a label or other appropriate documentation from the beneficiary.

(c) Notwithstanding subdivision (a), the director shall require

that the replacement proof of eligibility label or other appropriate documentation of eligibility provided pursuant to subdivision (b) accompany the bill of the hospital or the licensed primary care clinic.

(d) This section shall remain in effect only until both the Secretary of the Senate and the Chief Clerk of the Assembly have received certification by registered mail from the Director of Health Services, that the automated eligibility verification system required by Section 14042 is operative for all counties and has been demonstrated to be accurate for each county at the 97-percent level as required by Section 14042 and as of that date is repealed.

CHAPTER 203

An act to amend Section 22703 of the Education Code, relating to the State Teachers' Retirement System.

[Approved by Governor June 26, 1986 Filed with Secretary of State June 27, 1986]

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

SECTION 1. Section 22703 of the Education Code is amended to read:

22703. Persons employed on a part-time basis, including persons employed in night schools and adult education programs, shall receive credit for time served in the proportion that the salary earned bears to the salary which would have been earned if employed full time. When a person is employed on an hourly or daily basis, full-time employment shall be considered as the number of days of service required by the district to be performed by its full-time employees in a school year and employees employed on an hourly or daily basis shall receive credit for time served in the proportion that the total hourly or daily service performed in a school year bears to the full-time employment for that school year.

CHAPTER 204

An act to amend Section 5537 of, and to add Section 5550.3 to, the Business and Professions Code, relating to architecture.

[Approved by Governor June 26, 1986 Filed with Secretary of State June 27, 1986]

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

SECTION 1. Section 5537 of the Business and Professions Code is amended to read:

5537. (a) This chapter does not prohibit any person from preparing plans, drawings, or specifications for any of the following:

(1) Single-family dwellings of woodframe construction not more than two stories and basement in height.

(2) Multiple dwellings containing no more than four dwelling units of woodframe construction not more than two stories and basement in height. However, this paragraph shall not be construed as allowing an unlicensed person to design multiple clusters of up to four dwelling units each to form apartment or condominium complexes where the total exceeds four units on any lawfully divided lot.

(3) Garages or other structures appurtenant to buildings described under subdivision (a), of woodframe construction not more than two stories and basement in height.

(4) Agricultural and ranch buildings of woodframe construction, unless the building official having jurisdiction deems that an undue risk to the public health, safety, or welfare is involved.

(b) If any portion of any structure exempted by this section deviates from conventional framing requirements for woodframe construction found in the most recent edition of the Uniform Building Code or tables of limitation for woodframe construction, as defined by the applicable building code duly adopted by the local jurisdiction or the state, the building official having jurisdiction shall require the preparation of plans, drawings, specifications, or calculations for that portion by, or under the direct supervision of, a licensed architect or registered engineer. The documents for that portion shall bear the stamp and signature of the licensee who is responsible for their preparation.

SEC. 2. Section 5550.3 is added to the Business and Professions Code, to read:

5550.3. (a) Notwithstanding Section 111, the board may adopt guidelines for the delegation of its authority to grade the examinations of applicants for licensure to any vendor under contract to the board for provision of an architect's registration examination. The guidelines shall be within the board's legal authority to establish the standards for registration in this state, and shall include, but not be limited to:

(1) Goals for the appropriate content, development, grading, and administration of an examination, against which the vendor's rules and procedures can be judged.

(2) Procedures through which the board can reasonably assure itself that the vendor adequately meets the goals established by the board.

(b) The board shall not delegate its authority to grade the examinations of candidates for registration in this state to any vendor or any party not in compliance with Section 111 or with the guidelines established in subdivision (a).

CHAPTER 205

An act to amend Sections 11346.14 and 11346.7 of the Government Code, relating to administrative regulations.

[Approved by Governor June 26, 1986 Filed with Secretary of State June 27, 1986.]

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

SECTION 1. Section 11346.14 of the Government Code is amended to read:

11346.14. The initial statement required by Section 11346.7 shall also include, but not be limited to, the following:

(a) Where the adoption or amendment of a regulation would mandate the use of specific technologies or equipment, a statement of the reasons why the agency believes such mandates or prescriptive standards are required.

(b) A description of the alternatives to the regulation considered by the agency and the agency's reasons for rejecting those alternatives, and a statement that no alternative considered by the agency would be more effective in carrying out the purpose for which the regulation is proposed or would be as effective and less burdensome to affected private persons than the proposed regulation. In the case of a regulation which would mandate the use of specific technologies or equipment or prescribe specific actions or procedures, the imposition of performance standards shall be considered as an alternative.

Any statutory reference to Section 11346.7 shall be construed to also be a reference to this section.

SEC. 2. Section 11346.7 of the Government Code is amended to read:

11346.7. Every agency subject to the provisions of this chapter shall:

(a) Prepare, submit to the office with the notice of the proposed action, and make available to the public upon request, a copy of the express terms of the proposed action as described in subdivision (b) of Section 11346.5, a list of the small business enterprises or their representatives to whom the notice of adoption, amendment, or repeal of a regulation will be mailed and an initial statement of reasons for proposing the adoption or amendment of a regulation. The statement shall include, but not be limited to, all of the following:

(1) A description of the public problem, administrative requirement, or other condition or circumstance the regulation is intended to address.

(2) A statement of the specific purpose of the regulation and the rationale for the determination by the agency that the regulation is reasonably necessary to carry out the purpose for which it is

proposed.

(3) An identification of each technical, theoretical, and empirical study, report, or similar document, if any, on which the agency is relying in proposing the adoption or amendment of a regulation.

(4) A description of any alternatives the agency has identified that would lessen any adverse impact on small businesses. It is not the intent of this subdivision to require the agency to artificially construct alternatives or to justify why it has not identified alternatives.

(b) Prepare and submit to the office with the adopted regulation a final statement of reasons which shall include all of the following:

(1) An update of the information contained in the initial statement of reasons. If the update identifies any data or any technical, theoretical or empirical study, report, or similar document on which the agency is relying in proposing the adoption or amendment of a regulation which was not identified in the initial statement of reasons, or which was otherwise not identified or made available for public review prior to the close of the public comment period, the agency shall comply with the provisions of subdivision (d) of Section 11346.8.

(2) A determination as to whether the regulation imposes a mandate on local agencies or school districts. If the determination is that the regulation does contain a local mandate, the agency shall state whether the mandate is reimbursable pursuant to Part 7 (commencing with Section 17500) of Division 4. If the agency finds that the mandate is not reimbursable, it shall state the reasons for that finding.

(3) A summary of each objection or recommendation made regarding the specific adoption, amendment, or repeal proposed, together with an explanation of how the proposed action has been changed to accommodate each objection or recommendation, or the reasons for making no change. This requirement applies only to objections or recommendations specifically directed at the agency's proposed action or to the procedures followed by the agency in proposing or adopting the action.

(4) A determination with supporting information that no alternative considered by the agency would be more effective in carrying out the purpose for which the regulation is proposed or would be as effective and less burdensome to affected private persons than the adopted regulation, and an explanation setting forth the reasons for rejecting any proposed alternatives that would lessen the adverse economic impact on small businesses.

(c) Prepare and submit to the office with the adopted regulation an updated informative digest containing a clear and concise summary of the immediately preceding laws and regulations, if any, relating directly to the adopted, amended, or repealed regulation and the effect of the adopted, amended, or repealed regulation. The informative digest shall be drafted in a format similar to the Legislative Counsel's Digest on legislative bills.

(d) A state agency which adopts or amends a regulation mandated by federal law or regulations, the provisions of which are identical to a previously adopted or amended federal regulation, shall be deemed to have complied with the provisions of this section if a statement to the effect that a federally mandated regulation or amendment to a regulation is being proposed, together with a citation to where an explanation of the provisions of the regulation can be found, is included in the notice of proposed adoption or amendment prepared pursuant to Section 11346.5. However, the agency shall comply fully with the provisions of this chapter with respect to any provisions in the regulation which the agency proposes to adopt or amend which are different from the corresponding provisions of the federal regulation.

CHAPTER 206

An act to add Article 39 (commencing with Section 38891) to Chapter 5 of Division 15 of the Food and Agricultural Code, relating to milk and dairy products, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 26, 1986. Filed with Secretary of State June 27, 1986]

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

SECTION 1. Article 39 (commencing with Section 38891) is added to Chapter 5 of Division 15 of the Food and Agricultural Code, to read:

Article 39. Sterilized Flavored Lowfat Milk

38891. Sterilized flavored lowfat milk is market milk, evaporated market milk, condensed market milk, dried market milk, or any combination thereof which contains harmless sweetening, chocolate, chocolate syrup, or other harmless syrup or flavoring, or combination of these syrups or flavorings, and harmless edible stabilizers which do not exceed five-tenths of 1 percent of the syrup or flavoring.

38892. Sterilized flavored lowfat milk shall be homogenized, packed in hermetically sealed containers, and so processed by heat as to prevent spoilage.

38893. Sterilized flavored lowfat milk shall contain not less than 1 percent milkfat nor more than 2.1 percent milkfat and not less than 8.25 percent milk solids-not-fat.

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

In order to establish needed standards for sterilized flavored lowfat milk at the earliest possible time this act must take effect immediately.

CHAPTER 207

An act to amend Sections 9801, 9806, 9841, 9842, 9844, 9844.5 and 9852 of, and to add Section 9844.1 to, the Business and Professions Code, relating to electronic and appliance repair dealers.

[Approved by Governor June 26, 1986 Filed with Secretary of State June 27, 1986.]

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

SECTION 1. Section 9801 of the Business and Professions Code is amended to read:

9801. The following terms as used in this chapter have the meaning expressed in this section:

(a) "Person" includes firm, partnership, association, or corporation.

(b) "Department" means the Department of Consumer Affairs.

(c) "Director" means the Director of Consumer Affairs.

(d) "Bureau" means the Bureau of Electronic and Appliance Repair.

(e) "Chief" means the Chief of the Bureau of Electronic and Appliance Repair.

(f) "Board" means the Electronic and Appliance Repair Advisory Board.

(g) "Service dealer" means a person who, for compensation, engages in, or holds himself or herself out to the public as offering services in, the business of:

(1) Repairing, servicing, or maintaining television, radio, audio or video recorders or playback equipment, video cameras, video games, video monitors, or computer systems normally used or sold for personal, family, or household use.

(2) Installing, repairing, servicing, or maintaining radios, antennas, audio recorders or audio playback equipment normally used or sold for use in private motor vehicles.

(3) Installing, repairing, servicing, or maintaining television or radio receiver antennas or direct satellite signal receiving equipment located on or adjacent to a residence and not involving a function which is subject to and regulated under the provisions of Chapter 9 (commencing with Section 7000).

(4) Repairing, servicing, or maintaining major home appliances.

(h) "Equipment" for the purposes of this chapter means a set, appliance, antenna, rotator, and accessories.

(i) "Set" means any television, radio, audio or video recorder or

playback equipment, video camera, video game, video monitor or computer system normally used or sold for personal, family, or household use.

(j) "Appliance" or "major home appliance" means any refrigerator, freezer, range, microwave oven, washer, dryer, dishwasher, trash compactor, or room air conditioner normally used or sold for personal, family, or household use.

(k) "Antenna" or words of like import, means a resonant device designed especially for the purpose of capturing electromagnetic energy transmitted by direct satellite or commercial radio or television broadcasting facilities. An antenna, and its associated accessories, is not deemed to be a part of a set, and shall be considered, under this section, to be located outside or in the attic of a residence.

(*l*) "Rotator," when used in connection with an antenna installation or repair, means an electromechanical device operated from a remote location to rotate an antenna on a horizontal plane. A rotator and its associated accessories is not deemed to be a part of a set and shall be considered under this section, with the exception of the directional control unit, to be located outside or in the attic of a residence.

(m) "Accessories," when used in connection with an antenna or rotator installation or repair, means masts, towers, clamps, guy wires, eye hooks, standoff insulators, roof saddles, vent pipe mounts, chimney mount kits, signal amplifiers/boosters, multiset couplers, transmission lines, control cables, directional control units, and such other devices as may be used from time to time to effect such installation or repair.

(n) "Computer system" means a central processing unit which performs data manipulation functions, and any associated peripheral devices, including, but not limited to, keyboards, display terminals, printers, or disk drives.

(o) "Video game" means any electronic amusement device which utilizes a computer, microprocessor, or similar electronic circuitry and its own cathode ray tube or a television set or a monitor.

(p) "Complainant" means the customer of a service dealer who has complained to the director concerning such service dealer.

(q) "Direct satellite signal receiving equipment" means receivers, down converters, amplifiers, and audio or video processors related to the reception of audio, video, or data signals broadcasted or rebroadcasted by communication satellites located in space.

(r) "Electronic repair industry" means those activities defined in paragraphs (1), (2), or (3) of subdivision (g).

(s) "Appliance repair industry" means those activities defined in paragraph (4) of subdivision (g).

SEC. 2. Section 9806 of the Business and Professions Code is amended to read:

9806. An automobile dealer or manufacturer, licensed pursuant to Chapter 4 (commencing with Section 11700) of Division 5 of the

Vehicle Code shall not be required to be registered under this chapter where such dealer or manufacturer installs or replaces a motor vehicle radio, antenna, or audio or video playback equipment as a function related to the sale of a motor vehicle.

SEC. 3. Section 9841 of the Business and Professions Code is amended to read:

9841. (a) The director may refuse to validate, or may invalidate temporarily or permanently the registration of a service dealer for any of the following acts or omissions done by himself or herself or any employee, partner, officer, or member of the service dealer and related to the conduct of his or her business:

(1) Making or authorizing any statement or advertisement which is untrue or misleading, and which is known, or which by the exercise of reasonable care should be known, to be untrue or misleading.

(2) Making any false promises of a character likely to influence, persuade, or induce a customer to authorize the repair, installation, service, or maintenance of the equipment as specified by this chapter.

(3) Acting for more than one customer in a transaction without the knowledge or consent of all parties thereto.

(4) Any other conduct which constitutes fraud or dishonest dealing.

(5) Conduct constituting incompetence or negligence.

(6) Failure in any material respect to comply with the provisions of this chapter or regulations thereunder.

(7) Any willful departure from or disregard of accepted trade standards for good and workmanlike installation or repair.

(8) Conviction of a crime which has a substantial relationship to the qualifications, functions and duties of a registrant under this chapter, in which event the record of the conviction shall be conclusive evidence thereof.

(b) The director may also refuse to validate, or may invalidate temporarily or permanently, the registration of a service dealer if the applicant or registrant, as the case may be, has committed acts or crimes constituting grounds for denial of licensure under Section 480.

(c) The director may also refuse to validate, or may invalidate temporarily or permanently, the registration of a service dealer if the applicant or registrant, as the case may be, will be or is holding the registration for the benefit of a former registrant whose registration has been suspended or revoked and who will continue to have some involvement in the applicant's or new registrant's business.

SEC. 4. Section 9842 of the Business and Professions Code is amended to read:

9842. All work done by a service dealer shall be recorded on an invoice in such detail as is required by regulations issued by the director and shall describe all service work done and all parts supplied. If any used parts are supplied, the invoice shall clearly state that fact. One copy shall be given to the customer and one copy shall be retained by the service dealer for a period of at least two years.

SEC. 5. Section 9844 of the Business and Professions Code is amended to read:

9844. An initial written estimate for the cost of repair shall be given to the customer before performing any repairs. The written estimate shall include all costs for parts and labor, and the service dealer may not charge for work done or parts supplied in excess of the estimate without the previous consent of the customer. The service dealer may charge a reasonable fee for services provided in determining the nature of the malfunction in preparation of a written estimate for repair. The service dealer shall advise the customer in writing of the amount of the fee prior to a repair made in the residence, before removal of the consumer goods from the customer's residence, or upon acceptance of the goods at the repair facility or registered location.

SEC. 6. Section 9844.1 is added to the Business and Professions Code, to read:

9844.1. The charge for the installation of any equipment subject to the requirements of this chapter shall be given to the customer in writing prior to making the installation. Whenever the charge for installation is included in the sale price of the item and is not separately stated, or whenever the charge for installation is reduced as an incentive to effectuate the purchase and sale, the bureau may determine the reasonable charge attributable to the installation for purposes of enforcement.

SEC. 7. Section 9844.5 of the Business and Professions Code is amended to read:

9844.5. No lien or other right to maintain possession of the equipment pending payment of charges for repair or installation, including those arising from Chapter 6 (commencing with Section 3046) of Title 14, Part 4, Division 3 of the Civil Code, shall exist where the total charges levied for the repair or installation of such equipment exceeds the higher of (1) any amount estimated in writing pursuant to Section 9844, or (2) a written revision of such estimate signed and dated by the owner of the equipment, or in lieu thereof an oral revision of the written estimate, authorized by the owner and fully documented by the service dealer.

SEC. 8. Section 9852 of the Business and Professions Code is amended to read:

9852. No person required to have a valid registration under the provisions of this chapter shall have the benefit of any lien for labor or materials or the right to sue on a contract for repairs or installation done by such individual, unless he or she has such a valid registration.

SEC. 9. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

CHAPTER 208

An act to amend Section 24203 of the Education Code, relating to the State Teachers' Retirement System.

[Approved by Governor June 26, 1986 Filed with Secretary of State June 27, 1986.]

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

SECTION 1. Section 24203 of the Education Code is amended to read:

24203. Any member who has qualified to make application for retirement allowance under Section 23901 may elect, as provided in Section 24200, and except as provided in Section 24200.1, without right of revocation or change after the effective date of his or her retirement, to receive an actuarially modified retirement allowance as of the date of retirement, of the retirement allowance payable to the member when and if the member retires for service in a modified retirement allowance according to the provisions of Section 24200. If the death of such member occurs after the date upon which the election has been signed, then the election shall be in full force and effect. The election shall be void if not received in the system's office in Sacramento within 30 days after the date of signature.

Upon such member's death, prior to the effective date of retirement, the beneficiary who was nominated under the option elected and who survives shall receive an allowance calculated under such option, upon the assumption that such member retired on the date of death. The payment of such allowance to the beneficiary shall be in lieu of the family allowance provided in Section 23804 and the payment provided in subdivision (a) of Section 23801, except that if the beneficiary dies before all accumulated contributions are paid the balance if any shall be paid to the estate of the person last receiving or entitled to receive the allowance. The accumulated annuity deposit contributions and the death payment provided in Section 23800, shall be paid the designated beneficiary in a lump sum.

If the member subsequently retires, regardless of whether the beneficiary nominated under the option elected is then living, a reduced retirement allowance computed under Section 24200 and the option elected shall be paid.

The amount of the retirement allowance prior to applying the option factor shall be calculated at the member's age at death before retirement, or age on the last day of the month in which the member requested retirement be effective, as the case may be. The modification of such retirement allowance under the option elected shall be based on the ages of such member and the beneficiary nominated under such option, at the date the election was signed.

Any member reinstated to membership pursuant to Section 23913 is not eligible to file a preretirement election of an option until one

year after the date of reinstatement.

The system shall inform members who are qualified to make application for a preretirement election of an option, through the annual statement of accounts, that the option is available.

CHAPTER 209

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

[Approved by Governor June 26, 1986 Filed with Secretary of State June 27, 1986.]

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

SECTION 1. The Legislature finds and declares all of the following:

(a) On December 31, 1985, a federal court order was issued requiring the San Jose Unified School District to begin immediately to desegregate all of its 37 schools.

(b) The estimated costs of complying with this federal court order, between January 1, 1986, and June 30, 1986, are three million one hundred sixty-two thousand two hundred eighty-one dollars ($3,162,281).

(c) The San Jose Unified School District does not have sufficient budget reserves in the current year to absorb the impact of these court-mandated costs.

(d) The San Jose Unified School District is eligible for reimbursement, pursuant to subdivision (b) of Section 42247.3 of the Education Code, for the costs of a court-mandated desegregation program implemented in the 1985–86 fiscal year.

SEC. 2. The sum of three million one hundred sixty-two thousand two hundred eighty-one dollars ($3,162,281) is hereby appropriated from the General Fund to the Controller for reimbursement to eligible school districts for court-mandated desegregation program costs incurred during the 1985–86 fiscal year, as authorized pursuant to subdivision (b) of Section 42247.3 of the Education Code.

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

In order to provide for the reimbursement of court-mandated desegregation program costs as necessary for the 1985–86 fiscal year, it is necessary that this act take effect immediately.

CHAPTER 210

An act to add Section 3119.5 to the Financial Code, relating to banks, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 26, 1986. Filed with Secretary of State June 27, 1986.]

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

SECTION 1. Section 3119.5 is added to the Financial Code, to read:

3119.5. (a) Expenses and claims of unsecured creditors have priority in the following order:

(1) Expenses of liquidation and approved claims for fees and assessments due the department.

(2) Approved claims given priority under other provisions of state or federal law, including, but not limited to, Sections 3114 and 3240.

(3) Approved claims for "deposits," as that term is defined in 12 U.S.C. Section 1813(*l*), but including obligations of the type described in 12 U.S.C. Section 1813(*l*)(5)(A) and (B).

(4) Approved claims for other general liabilities.

(5) Approved claims for obligations subordinated to deposits and other general liabilities.

(b) Interest shall be given the same priority as the claim on which it is based, but no interest shall be paid on any claim until the principal of all claims within the same class has been paid or adequately provided for in full.

(c) Any funds remaining shall be paid to the shareholders.

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

In order for depositors to have quick access to their funds in the event of a bank closure and to facilitate the structuring of purchase and assumption agreements, with due respect to recent concerns over bank closings, it is necessary that this act take effect immediately.

CHAPTER 211

An act to amend Sections 60061, 60063, 60200, 60222, 60226, 60241, 60264, 60281, 60285, 60291, 60401, 62000, 62001, and 62002 of, to add Sections 62000.1, 62000.2, 62000.3, 62000.4, 62000.45, and 62000.5 to, and to add and repeal Section 62006.8 of, and to repeal Sections 60265, 60296, and 60403 of, the Education Code, relating to educational programs, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 27, 1986 Filed with Secretary of State June 27, 1986]

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

SECTION 1. Section 60061 of the Education Code is amended to read:

60061. A publisher or manufacturer shall:

(a) Furnish the instructional materials offered by him or her at a price in this state that, including all costs of transportation to that place, does not exceed the lowest price at which the publisher offers those instructional materials for adoption or sale to any state or school district in the United States.

(b) Automatically reduce the price of those instructional materials to any governing board to the extent that reductions are made elsewhere in the United States.

(c) Provide any instructional materials free of charge in this state to the same extent as that received by any state or school district in the United States.

(d) Guarantee that all copies of any instructional materials sold in this state are at least equal in quality to the copies of those instructional materials that are sold elsewhere in the United States, and are kept revised, free from all errors, and up to date as may be required by the state board.

(e) Not in any way, directly or indirectly, become associated or connected with any combination in restraint of trade in instructional materials, or enter into any understanding, agreement, or combination to control prices or restrict competition in the sale of instructional materials for use in this state.

(f) Maintain a representative, office, or depository in the State of California or arrange with an independently owned and operated depository in the State of California to receive and fill orders for instructional materials.

For purposes of the preceding paragraph of this subdivision, "instructional materials" means textbooks, or instructional materials systems or instructional materials sets which include textbooks.

(g) Upon the willful failure of the publisher or manufacturer to comply with the requirements of this section, be liable to the governing board in the amount of three times the total sum that the

publisher or manufacturer was paid in excess of the price required under subdivisions (a), (b), and (e), and in the amount of three times the total value of the instructional materials and services that the governing board is entitled to receive free of charge under subdivision (c).

SEC. 2. Section 60063 of the Education Code is amended to read:

60063. Any governing board may order any publisher or manufacturer who violates any provision of this division to cease to offer or sell any instructional materials to that governing board. If that order is made, it shall be unlawful for that publisher or manufacturer to sell instructional materials to that governing board until the publisher or manufacturer has demonstrated, to the governing board that made the order, that it is no longer violating the specified provision of this part.

SEC. 3. Section 60200 of the Education Code is amended to read:

60200. The state board shall adopt instructional materials for use in kindergarten and grades 1 to 8, inclusive, for governing boards, subject to Section 60265 and to the following provisions:

(a) At least biennially, adoptions shall be made for all applicable levels for each of the following categories: (1) language arts, (2) mathematics, (3) reading, (4) science, (5) social science, (6) bilingual or bicultural subjects, and (7) any other subject, discipline, or interdisciplinary areas for which the state board determines the adoption of instructional materials to be necessary or desirable to promote the maximum efficiency of pupil learning.

(b) While categories may be designated to be adopted in alternate years, the state board shall adopt not less than five but no more than 15 of any of the following for basic instructional materials in each subject in each grade: (a) instructional materials, (b) instructional materials systems, (c) instructional materials sets, and, (d) a combination of instructional materials, instructional materials systems, and instructional materials sets, as the state board may select. However, less than five items per subject per grade may be adopted when the state board establishes that adequate materials are not available for certain grades and subjects.

Nothing in this subdivision shall limit the authority of the state board to adopt materials that are not basic instructional materials, and the adoption of those materials shall not be governed by the maximum and minimum limits specified by this subdivision.

(c) In the event that a district board establishes to the satisfaction of the state board that the state-adopted instructional materials do not promote the maximum efficiency of pupil learning in the district, the state board shall authorize that district board to use its instructional materials allowances to purchase materials as specified by the state board, in accordance with standards and procedures established by the state board.

(d) The state board shall establish procedures to provide the most open and flexible submissions, as to timing and processing, to provide collections of instructional materials that, when taken as a whole,

illustrate diverse points of view; represent cultural pluralism and provide a broad spectrum of knowledge, information, and opinions; and allow for a combination of approaches and media to best meet the goals of a program and the needs of pupils.

(e) Upon making an adoption, the state board shall make available to listed publishers and manufacturers and all school interests a listing of instructional materials, including the most current unit cost of those materials as computed pursuant to subdivision (b) of Section 60222 and Section 60223. Items placed upon lists shall remain thereon, and be available for procurement through the state's systems of financing, for a period of not less than four years following the date of initial use as established pursuant to subdivision (i). All previous adoptions shall be integrated on lists and made available by subject and level.

(f) The state board may approve multiple lists of instructional materials, without designating a grade or subject, and the state board may designate more than one grade or subject whenever it determines that a single subject designation or a single grade designation would not promote the maximum efficiency of pupil learning. Any materials so designated may be placed on single grade or single subject lists, or multigrade or interdisciplinary lists, or may be placed on separate lists including other materials with similar grade or subject designations; however, all materials so designated shall be adopted subject to the limitations of subdivision (b).

(g) A composite listing in the format of an order form may be used to meet the requirements of this section.

(h) The lists maintained pursuant to this section shall not be deemed to control the use period by any local district.

(i) The state board shall, at the time of initiating the call for bids for instructional materials, establish the date upon which those state-adopted materials shall initially be available for use by the pupils.

SEC. 4. Section 60222 of the Education Code is amended to read:

60222. Publishers and manufacturers shall, at a time designated by the state board, submit the following information:

(a) Detailed specifications of the physical characteristics of that material. These specifications shall be complied with by the publisher or manufacturer if the material is adopted and purchased in completed form by the state board or any district board. If the material is adopted under a lease contract, the Department of General Services shall follow the same specifications in manufacturing the material. Changes in specifications may be made when approved by the state board and the publisher or manufacturer.

(b) A price schedule for the sale of completed materials to the state, including all costs of transportation pursuant to subdivision (a) of Section 60061, a statement of the cost to the State of California of purchasing a single unit of each item of instructional material, and any discounts for quantity purchases and any discounts for payment

within any specified period of time.

(c) A price schedule for the lease and/or purchase by the state of films, dies, and other materials to be used by the state to manufacture those materials.

(d) A price schedule of royalty costs to be paid to the publisher or manufacturer whenever the state manufactures and distributes to school districts any such materials.

SEC. 5. Section 60226 of the Education Code is amended to read:

60226. Publishers and manufacturers shall, in accordance with rules and regulations adopted by the state board, develop plans to improve the quality and reliability of instructional materials through learner verification. District boards shall be encouraged to permit publishers and manufacturers to have limited access to classrooms for necessary testing and observation. Publishers and manufacturers shall provide copies of test results and evaluations made as part of learner verification at the request of any governing board.

SEC. 6. Section 60241 of the Education Code is amended to read:

60241. The fund shall be administered by the State Department of Education under policies established by the state board. The state board shall encumber part of the fund to:

(a) Pay for the costs of instructional materials to be loaned to nonpublic school pupils pursuant to Section 60315.

(b) Pay for the costs of braille and large print textbooks to be furnished for visually handicapped pupils pursuant to Sections 60312 and 60313.

(c) Pay for the costs of warehousing and transporting textbooks acquired for the purposes of Sections 60281 and 60310. These costs shall not exceed 10 percent of the cost of each textbook printed by the Department of General Services.

(d) Establish, commencing with the 1974–75 fiscal year, a reserve account, not to exceed two hundred thousand dollars ($200,000), to pay for the cost of:

(1) Acquisition of instructional materials, including those ordered for purchase by persons and entities pursuant to subdivisions (a) and (b) of Section 60310.

(2) Replacement of instructional materials, obtained by a school district with its credit or allowance, that are lost or destroyed by reason of fire, theft, natural disaster, or vandalism.

SEC. 7. Section 60264 of the Education Code is amended to read:

60264. All district orders made pursuant to subdivision (a) of Section 60242 for state-adopted instructional materials shall be forwarded as directed by the Superintendent of Public Instruction for procurement of those materials in the most economical and timely manner pursuant to Article 5 (commencing with Section 60280) of this chapter. However, in cases in which the district does not qualify as a city school district and is an elementary district with fewer than 901 average daily attendance or a unified district with an average daily attendance of less than 1,501, the county superintendent of schools shall approve the orders for instructional

materials by the districts before forwarding as directed by the Superintendent of Public Instruction.

SEC. 8. Section 60265 of the Education Code is repealed.

SEC. 9. Section 60281 of the Education Code is amended to read:

60281. The state board may acquire instructional materials included in any list adopted by the board for use in the elementary schools, by any one or more of the following means determined by the board to be in the best interests of the state:

(a) Purchase them directly from the publisher or manufacturer.

(b) Compile them, or cause them to be compiled, and manufacture them.

(c) Lease films, dies, maps, engravings, or copyright or patented matter for use in manufacturing them.

(d) Contract for, or lease copyrights for use in compiling, printing, or publishing them.

(e) Provide for either the payment of royalties or for the leasing of films or both, or for making the whole or any part of the material and do any or all things that may be necessary for the purpose of procuring materials for use in the elementary schools.

(f) Arrange for the printing of textbooks by the Department of General Services.

(g) Produce or contract for the production of textbooks in braille, large print, recordings, or other media for the use of handicapped minors, including the visually handicapped.

For the purposes of acquiring the various parts of any instructional materials system adopted pursuant to Section 60200, the state board may use any one or a combination of the foregoing means in order to acquire all or any part of the instructional materials system.

SEC. 10. Section 60285 of the Education Code is amended to read:

60285. The state board, in order to procure textbooks, shall tabulate all orders for each textbook title received from school districts and nonpublic school pupils pursuant to subdivision (a) of Section 60243. The Department of General Services shall select from the tabulation those titles that can be manufactured by the department at a unit cost lower than that specified in the price schedule submitted by the publisher or manufacturer pursuant to subdivision (b) of Section 60222, less the amount of sales tax payments on those titles to the State of California, and for which the department can complete manufacture in time to permit delivery to the school districts and nonpublic school pupils prior to the opening of school in the year in which the textbooks are to be used. In manufacturing any title, the department shall include the related teacher edition that would ordinarily be included by a publisher or manufacturer.

SEC. 11. Section 60291 of the Education Code is amended to read:

60291. On receiving a copy of the cost-finding report and the estimated cost of the publishing of any book, the state board shall determine and fix the cost price of the books. The cost price shall be determined by adding: (a) the cost of manufacture, (b) the contract

price to be paid as royalty or for the use of films, maps, engravings, or copyrighted or patented matter, and (c) transportation costs.

SEC. 12. Section 60296 of the Education Code is repealed.

SEC. 13. Section 60401 of the Education Code is amended to read:

60401. The state board shall designate the kinds of books that shall be classified as textbooks for the purposes of this chapter.

SEC. 14. Section 60403 of the Education Code is repealed.

SEC. 15. Section 62000 of the Education Code is amended to read:

62000. "Sunset" and "sunset date," as used in this part, mean the date on which specific categorical programs cease to be operative and Sections 62002, 62003, 62004, 62005, and 62005.5 govern program funding.

The educational programs referred to in Sections 62000.1 to 62000.5, inclusive, shall cease to be operative on the date specified, unless the Legislature enacts legislation to continue the program after the review prescribed in Section 62006.

SEC. 16. Section 62000.1 is added to the Education Code, to read:

62000.1. Local staff development and teacher education and computer center programs shall sunset on January 1, 1990.

SEC. 17. Section 62000.2 is added to the Education Code, to read:

62000.2. The following programs shall sunset on June 30, 1987:

(a) Miller-Unruh Basic Reading Act of 1965.

(b) School improvement program.

(c) Indian early childhood education.

(d) Economic impact aid.

(e) Bilingual education.

SEC. 18. Section 62000.3 is added to the Education Code, to read:

62000.3. The following programs shall sunset on June 30, 1988:

(a) Special education.

(b) Gifted and talented education.

SEC. 19. Section 62000.4 is added to the Education Code, to read:

62000.4. The following programs shall sunset on June 30, 1989:

(a) Child development and preschool programs.

(b) Adult education.

(c) Indian education centers.

SEC. 19.5. Section 62000.45 is added to the Education Code, to read:

62000.45. The Instructional Materials Program shall sunset on June 30, 1991.

SEC. 20. Section 62000.5 is added to the Education Code, to read:

62000.5. The demonstration programs in reading and mathematics shall sunset on June 30, 1990.

SEC. 21. Section 62001 of the Education Code is amended to read:

62001. (a) The intent of the Legislature in enacting this section is to assure a thorough review of programs listed in Sections 62000.1 to 62000.5, inclusive, and the funding sources thereof, so that they most effectively, efficiently, and economically meet the needs of pupils and improve schools. It is not the intent of the Legislature in enacting this section to remove resources from students with special

needs, or to cease efforts to improve the schools.

(b) It was the intent of the Legislature in enacting this part to ensure that each categorical program is thoroughly reviewed. It was also intended that programs would be reviewed the year prior to the sunset date so that school districts and county offices of education would not be subject to unnecessary confusion and disruption in planning and administering those programs.

(c) It is further the intent of the Legislature that the legislative review of programs specified in Sections 62000.1 to 62000.5, inclusive, shall consider the appropriateness of state administration by agencies other than by the State Department of Education, such as the Commission on Teacher Credentialing and the Chancellor of the California Community Colleges.

SEC. 22. Section 62002 of the Education Code is amended to read:

62002. If the Legislature does not enact legislation to continue a program listed in Sections 62000.1 to 62000.5, inclusive, the funding of that program shall continue for the general purposes of that program as specified in the provisions relating to the establishment and operation of the program. The funds shall be disbursed according to the identification criteria and allocation formulas for the program in effect on the date the program shall cease to be operative pursuant to Sections 62000.1 to 62000.5, inclusive, both with regard to state-to-district and district-to-school disbursements. The funds shall be used for the intended purposes of the program, but all relevant statutes and regulations adopted thereto regarding the use of the funds shall not be operative, except as specified in Section 62002.5.

SEC. 22.5. Section 62006.8 is added to the Education Code, to read:

62006.8. (a) Each legislative review or sunset report on the "local staff development and teacher education computer centers" completed subsequent to the submission to the Legislature of the staff development study required pursuant to supplemental language for Item 6420-011-001 contained in the Supplemental Report of the Budget Act of 1986 shall reflect the data and information provided in that study. That data and information shall be utilized as a basis for the review or report.

(b) This section shall remain in effect only until January 1, 1990, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1990, deletes or extends that date.

SEC. 23. Reimbursement to local agencies and school districts for costs mandated by the state pursuant to this act shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code and, if the statewide cost of the claim for reimbursement does not exceed five hundred thousand dollars ($500,000), shall be made from the State Mandates Claims Fund.

SEC. 24. If this bill and AB 2813 are both enacted and become effective on or before January 1, 1987, and both bills add Section 62000.2 to the Education Code, Section 62000.2 of the Education

Code, as added by Section 17 of this bill, shall remain operative only until the effective date of AB 2813 and on that date shall be repealed. This section shall govern the operation of Section 62000.2 of the Education Code, as added by this bill, regardless of the order of chaptering of this bill and AB 2813.

SEC. 25. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure that there is no disruption in the operation of the educational programs otherwise scheduled to cease operation June 30, 1986, it is necessary that this act take effect immediately.

CHAPTER 212

An act to add Section 2762.5 to the Fish and Game Code, relating to fish, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 27, 1986 Filed with Secretary of State June 27, 1986]

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

SECTION 1. Section 2762.5 is added to the Fish and Game Code, to read:

2762.5. In addition to subdivision (b) of Section 2762, the moneys in the Fisheries Restoration Account may be expended, upon appropriation by the Legislature, by the department to fund the administrative costs of the Advisory Committee on Salmon and Steelhead Trout.

SEC. 2. The sum of three hundred seventy-five thousand dollars ($375,000) is hereby appropriated from the Fisheries Restoration Account in the Fish and Game Preservation Fund to the Department of Fish and Game to provide for administrative costs of the Advisory Committee on Salmon and Steelhead Trout, created by Resolution Chapter 141 of the Statutes of 1983, as revised by Section 7660 of the Fish and Game Code, in augmentation of any funds made available under Section 8236.2 of the Fish and Game Code, for expenditure in the 1985–86, 1986–87, and 1987–88 fiscal years.

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

In order to provide sufficient funds to permit the Advisory Committee on Salmon and Steelhead Trout to carry out its duties during the 1985–86 fiscal year, it is necessary that this act take effect immediately.

CHAPTER 213

An act to amend Section 9390.1 of, to amend and renumber Section 9391.4 of, to repeal and add Section 9390.5 of, and to repeal Section 9391.3 of, the Welfare and Institutions Code, relating to public social services, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 27, 1986. Filed with Secretary of State June 27, 1986.]

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

SECTION 1. Section 9390.1 of the Welfare and Institutions Code is amended to read:

9390.1. As used in this chapter:

(a) "Department" means the Department of Aging.

(b) "Director" means the Director of the Department of Aging.

(c) "Long-term care" means a coordinated continuum of preventive, diagnostic, therapeutic, rehabilitative, supportive, and maintenance services that address the health, social, and personal needs of individuals who have restricted self-care capabilities. Services shall be designed to recognize the positive capabilities of the individual and maximize the potential for the optimum level of physical, social, and psychological independence in the least restrictive environment, and emphasis shall be placed on seeking alternative services other than institutionalization. Services may be provided by formal or informal support systems and may be continuous or intermittent.

"Long-term care" includes licensed residential care in a community care facility or residential facility for the elderly.

(d) "Community based resources" include, but are not limited to, information and referral services, nutrition programs, home delivered meals, housing assistance, home modifications, special transportation services, senior companion programs, respite care, adult day health care, multipurpose senior services programs, in-home supportive services, special circumstances, inpatient and outpatient medical rehabilitation programs, home health and independent living training programs, ombudsman services, case management services, and hospice services.

(e) "Preadmission screening" means personal assessment of an applicant for placement in a skilled or intermediate care facility, prior to admission, to determine the individual's ability to remain in the community with the support of community-based services and referral to those services.

(f) "Postadmission screening" means personal assessment of an individual placed in a skilled or intermediate care facility, to assist in determining the appropriate length of stay in the facility and the individual's ability to return to the community, based upon the level

of community-based services available to the individual and referral to those services.

SEC. 2. Section 9390.5 of the Welfare and Institutions Code is repealed.

SEC. 3. Section 9390.5 is added to the Welfare and Institutions Code, to read:

9390.5. (a) The State Department of Health Services shall implement preadmission screening statewide beginning July 1, 1986. Preadmission screening shall be conducted by the Medi-Cal field offices which shall utilize the option of directly authorizing preadmission screening activities by Medi-Cal service providers, including, but not limited to, multipurpose senior services programs, adult day health care, home health agencies, or other comparable Medi-Cal service providers. The State Department of Health Services shall submit a report to the Legislature no later than March 31, 1987, on the implementation of this section. The report shall address, but is not limited to, the following items:

(1) Number of persons preadmission screened from the community.

(2) Number of persons preadmission screened from general acute care hospitals.

(3) Number of persons diverted from nursing home placement to the community.

(4) Number of persons determined to be short-stay placements in nursing homes at time of admission.

(5) Number of persons determined to be prolonged-stay placements in nursing homes at time of admission.

(6) Number of persons who are unable to be diverted and why, including, but not limited to, personal choice, medical condition, unavailability of community-based supportive services such as In-Home Supportive Services, Multipurpose Senior Services Program, Adult Day Health Care Program, Alzheimer's Day Care Resource Center, Institutionalization Prevention Services (Linkages), Independent Living Center, housing assistance, Residential Care Facilities for the Elderly, home-delivered meals, home health care, protective services, respite care, social day care, special transportation services, legal assistance.

(7) Number of persons diverted from nursing home as a result of postadmission screening.

(b) Every long-term health care facility which receives an application for admission of a Medi-Cal eligible or Medicare/Medi-Cal eligible person shall contact by telephone the appropriate State Department of Health Services Medi-Cal field office for the purpose of conducting preadmission screening.

(c) Every general acute care hospital which identifies a Medi-Cal eligible or Medicare/Medi-Cal eligible patient for referral to a long-term health care facility shall contact by telephone the appropriate State Department of Health Services Medi-Cal field office for the purpose of conducting preadmission screening.

(d) Preadmission screening shall not be required for persons referred to certified programs for the mentally ill or developmentally disabled.

(e) For the purpose of conducting preadmission screening, and subject to applicable confidentiality requirements, including Section 14100.2, the State Department of Health Services, or its designated representatives, shall have access to all medical records of Medi-Cal or Medicare/Medi-Cal eligible persons who apply or are referred for admission to a long-term health care facility. It is further the intent of the Legislature that the State Department of Health Services shall coordinate with the Multipurpose Senior Services Program or similar case management agencies, to the extent possible.

(f) All persons who are admitted to nursing homes for a short stay as a result of preadmission screening shall have a discharge plan, including projected length of stay and proposed discharge goal, which shall be reviewed at least monthly for up to four months until the medical status, the ability to perform activities of daily living, and the determination of service needs indicate referral to community-based services for care at home is appropriate.

All persons who are admitted to nursing homes for prolonged care as a result of preadmission screening shall be reviewed for their potential for community-based care during the process of reauthorization of prolonged care Treatment Authorization Request (TAR) and, if appropriate, be referred to community-based service.

(g) All Medi-Cal recipients residing in nursing homes who have not been preadmission screened shall be reviewed for their potential for postadmission screening. Those persons identified as having the potential for living in the community with the support of community-based services shall be postadmission screened and referral made to community-based services, if appropriate. Priority for postadmission screening shall be given to those persons who have been in nursing homes six months or less. All Medi-Cal recipients residing in nursing homes on a six month or less Treatment Authorization Request (TAR) shall be postadmission screened within six months of the effective date of this section. All other Medi-Cal recipients residing in nursing homes shall be postadmission screened within 12 months of the effective date of this section. The State Department of Health Services shall give priority to qualified Multipurpose Senior Services Providers (MSSP) to conduct postadmission screening.

(h) Persons admitted to a long-term health care facility who have been residing in the residential care facility portion of the multilevel facility, as defined in paragraph (9) of subdivision (d) of Section 15432 of the Government Code, are not subject to this section.

SEC. 4. Section 9391.3 of the Welfare and Institutions Code is repealed.

SEC. 5. Section 9391.4 of the Welfare and Institutions Code is amended and renumbered to read:

9391.3. All Medi-Cal field offices shall have a list of alternative

services in their areas. The field offices shall provide this information to health providers in their areas.

SEC. 6. Reimbursement to local agencies and school districts for costs mandated by the state pursuant to this act shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code and, if the statewide cost of the claim for reimbursement does not exceed five hundred thousand dollars ($500,000), shall be made from the State Mandates Claims Fund.

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

In order to maintain the health and safety of individuals facing unnecessary nursing home admission, it is necessary for this act to take effect immediately.

CHAPTER 214

An act to amend Sections 6592 and 6593 of, to add Section 6471.4 to, and to add Article 1.5 (commencing with Section 6480) to Chapter 5 of Part 1 of Division 2 of, the Revenue and Taxation Code, relating to taxation, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 27, 1986. Filed with Secretary of State June 27, 1986]

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

SECTION 1. Section 6471.4 is added to the Revenue and Taxation Code, to read:

6471.4. Any person required to make prepayment pursuant to Article 1.5 (commencing with Section 6480) shall not be required to make additional prepayment pursuant to this article, provided that more than 75 percent of the gross receipts of that person are from the retail sale of motor vehicle fuel.

SEC. 2. Article 1.5 (commencing with Section 6480) is added to Chapter 5 of Part 1 of Division 2 of the Revenue and Taxation Code, to read:

Article 1.5. Prepayment of Sales Tax on Motor Vehicle Fuel Distributions

6480. (a) For purposes of this article, the terms "distributor," "broker," "distribution," "motor vehicle fuel," "person," and "in this state" are defined pursuant to Part 2 (commencing with Section 7301).

(b) This article does not apply to motor vehicle fuel exempt from license taxes pursuant to paragraph (3) of subdivision (a) of Section 7401.

6480.1. (a) After service of written notification by the board, on the first distribution in this state of motor vehicle fuel subject to the motor vehicle fuel license tax, the distributor shall collect prepayment of retail sales tax from the person to whom the motor vehicle fuel is distributed. The prepayment required to be collected by the distributor constitutes a debt owed by the distributor to this state until paid to the board, until satisfactory proof has been submitted to prove that the retailer of the fuel has paid the retail sales tax to the board, or until a distributor or broker who has consumed the fuel has paid the use tax to the board. Each distributor shall report and pay the prepayment amounts to the board on a form prescribed by the board. On each subsequent distribution of that motor vehicle fuel, each seller, other than the retailer, shall collect from his or her purchaser an amount equal to the amount of the prepayment paid by the seller to the person from whom he or she acquired the fuel. Each distributor shall provide his or her purchaser with a receipt or invoice for the collection of the prepayment amounts which shall be separately stated thereon.

(b) After service of written notification by the board, the broker shall collect prepayment of the retail sales tax from the person to whom the motor vehicle fuel is transferred. The prepayment required to be collected by the broker constitutes a debt owed by the broker to the state until paid to the board, or until satisfactory proof has been submitted to prove that the retailer of the fuel has paid the tax to the board. Each broker shall provide his or her purchaser with a receipt or invoice for the collection of the prepayment amounts which shall be separately stated thereon.

Each broker shall report and pay the prepayment amounts to the board on a form prescribed by the board. The amount of prepayment paid by the broker to his or her vendor shall constitute a credit against the amount of prepayment required to be collected and remitted by the broker to the board.

(c) A distributor or broker who pays the prepayment and issues a resale certificate to the seller, but subsequently consumes the fuel, shall be entitled to a credit against his or her sales and use taxes due and payable for the period in which the prepayment was made, provided that he or she reports and pays the use tax to the board on the consumption of that fuel.

(d) The amount of a prepayment paid by the retailer or a distributor or broker who has consumed the fuel to the seller from whom he or she acquired the fuel shall constitute a credit against his or her sales and use taxes due and payable for the period in which the prepayment was made. Failure of the distributor or broker to report prepayments or the distributor's or broker's failure to comply with any other duty under this article shall not constitute grounds for denial of the credit to the retailer or broker, either on a temporary

or permanent basis or otherwise. The retailer or broker shall be entitled to the credit to the extent of the amount prepaid to his or her supplier as evidenced by purchase documents, invoices, or receipts stating separately the amount of tax prepayment.

(e) The rate of the prepayment required to be collected during the period from July 1, 1986, through March 31, 1987, shall be four cents ($0.04) per gallon of motor vehicle fuel distributed or transferred.

(f) On April 1 of each succeeding year, the rate per gallon, rounded to the nearest one-half of one cent, of the required prepayment shall be established by the board based upon 80 percent of the combined state and local sales tax rate established by Sections 6051 and 7202 on the arithmetic average selling price (excluding sales tax) as determined by the State Energy Resources Conservation and Development Commission, in its latest publication of the "Quarterly Oil Report," of all grades of gasoline sold through a self-service gasoline station. The board shall make its determination of the rate no later than November 1 of the year prior to the effective date of the new rate. Immediately upon making its determination and setting of the rate, the board shall each year, no later than January 1, notify by mail every distributor, broker, and retailer of motor vehicle fuel.

6480.2. (a) If the board determines that it is necessary for the efficient administration of this part, the board may require a distributor or broker to provide the board with a list of purchasers to whom the motor vehicle fuel was transferred.

(b) In addition to any other reports required under this article, the board may, by rule and otherwise, require additional, other, or supplemental reports, in any form which the board may require, from distributors or brokers with respect to their sales of motor vehicle fuel defined pursuant to Part 3 (commencing with Section 8601).

(c) Any distributor or broker who fails to comply with this section is guilty of a misdemeanor punishable as provided in Section 7153.

6480.3. The distributor or broker shall file his or her prepayment form together with a remittance of the prepayment amounts required to be collected pursuant to Section 6480.1 payable to the State Board of Equalization, on or before the 25th day of the calendar month following the monthly period to which the prepayment form or each prepayment relates.

6480.4. Any distributor or broker who fails to make a timely remittance to the board of the prepayment required pursuant to Sections 6480.1 and 6480.3 shall also pay a penalty of 25 percent of the amount of the prepayment due but not paid, plus interest at the modified adjusted rate per month, or fraction thereof, established pursuant to Section 6591.5, from the date the prepayment became due and payable to the state until the date of payment.

6480.5. Notification by the board provided for in Section 6480.1 may be served personally or by mail upon each distributor or broker

in the manner prescribed in Section 6486 for service of notice of a deficiency determination, or by mailing with blank tax return forms.

6480.6. (a) The following persons who have paid prepayment amounts either directly to the board or to the person from whom it was purchased, on the distribution of motor vehicle fuel which was subject to the motor vehicle fuel license tax, shall be refunded those amounts:

(1) Any person who exports the motor vehicle fuel for subsequent sale outside this state.

(2) Any person who sells the motor vehicle fuel which is exempt from the sales or use tax pursuant to Sections 6352, 6357, 6381, and 6396.

(3) Any person who has lost the motor vehicle fuel through fire, flood, theft, leakage, evaporation, shrinkage, spillage, or accident, prior to any retail sale.

(b) In lieu of a refund, the board may authorize a credit to be taken by the person to whom the refund is due upon his or her prepayment form or sales and use tax return.

6480.7. (a) The board may require any distributor or broker subject to this article to place with the board any security that the board determines is necessary to ensure compliance with this article. The amount of the security shall be fixed by the board but shall not be greater than three times the estimated average liability of distributors or brokers required to file returns for monthly periods, determined in any manner that the board deems proper, or five hundred thousand dollars ($500,000), whichever amount is less. These amounts apply regardless of the type of security placed with the board. The amount of the security may be increased or decreased by the board subject to the maximum amounts. The security required pursuant to this section is in addition to the bond or bonds required pursuant to Section 7486.

(b) The board may sell the security at public auction if it becomes necessary to so do in order to recover any tax or any amount required to be collected or penalty due. Notice of the sale may be served upon the person who placed the security personally or by mail. If service is by mail, service shall be made in the manner prescribed for service of a notice of a deficiency determination and shall be addressed to the person at his or her address as it appears in the records of the board. However, security in the form of a bearer bond issued by the United States or the State of California which has a prevailing market price may be sold by the board at a private sale at a price not lower than the prevailing market price thereof. Upon any sale, any surplus above the amounts due shall be returned to the distributor or broker who placed the security.

6480.8. (a) Any retailer required to make prepayment to the seller from whom he or she acquired the motor vehicle fuel, shall be allowed to credit against the tax liability due for the monthly or quarterly period preceding the effective date of this article, an amount of tax equal to the tax liability imposed at four cents ($0.04)

per gallon of motor vehicle fuel sold by that retailer during the month in which the retailer sold the highest number of gallons of motor fuel during the 12-month period immediately preceding the effective date of this article. However, nothing in this section shall entitle the retailer to any refund to which he or she would not otherwise be entitled to receive.

(b) Any excess of credit over the amount of tax liability due for that monthly or quarterly period shall be taken as a credit against the tax liability due for the following monthly or quarterly period.

(c) The amount of credit allowed by this section shall be remitted to the board, without interest on a return in such form as the board may prescribe, at a rate of 25 percent per quarter on or before the end of the month following each of the four calendar quarters following the quarter or month in which the credit was allowed. Any balance is due and payable on the return required to be filed for the period in which the taxpayer ceases to be engaged in business.

Any retailer who fails to make a timely remittance to the board of the amount of credit required to be paid under this section, shall also pay a penalty of 10 percent of the amount of the credit due but not paid, plus interest at the modified adjusted rate per month, or fraction thereof, established pursuant to Section 6591.5, from the date the prepayment became due and payable to the state until the date of payment.

SEC. 3. Section 6592 of the Revenue and Taxation Code is amended to read:

6592. If the board finds that a person's failure to make a timely return or payment is due to reasonable cause and circumstances beyond the person's control, and occurred notwithstanding the exercise of ordinary care and the absence of willful neglect, the person may be relieved of the penalty provided by Sections 6476, 6477, 6480.4, 6480.8, 6511, 6565, 6591, and 7051.2.

Any person seeking to be relieved of the penalty shall file with the board a statement under penalty of perjury setting forth the facts upon which he or she bases his or her claim for relief.

SEC. 4. Section 6593 of the Revenue and Taxation Code is amended to read:

6593. If the board finds that a person's failure to make a timely return or payment was due to a disaster, and occurred notwithstanding the exercise of ordinary care and the absence of willful neglect, the person may be relieved of the interest provided by Sections 6459, 6480.4, 6480.8, 6513, and 6591.

Any person seeking to be relieved of the interest shall file with the board a statement under penalty of perjury setting forth the facts upon which he or she bases his or her claim for relief.

SEC. 4.5. The sum of three hundred thirty-eight thousand dollars ($338,000) is hereby appropriated from the General Fund to the State Board of Equalization for startup costs to implement this act.

SEC. 5. This act shall become operative on July 1, 1986.

SEC. 6. No reimbursement is required by this act pursuant to

Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

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

In order to ensure the timely remittance of sales tax revenues from the sale of motor vehicle fuel at the earliest possible time, it is necessary that this act take immediate effect.

CHAPTER 215

An act to amend Section 4800 of the Civil Code, relating to family law.

[Approved by Governor June 28, 1986. Filed with Secretary of State June 30, 1986.]

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

SECTION 1. Section 4800 of the Civil Code is amended to read:

4800. (a) Except upon the written agreement of the parties, or on oral stipulation of the parties in open court, or as otherwise provided in this section, the court shall, either in its judgment of dissolution of the marriage, in its judgment decreeing the legal separation of the parties, or at a later time if it expressly reserves jurisdiction to make such a property division, divide the community estate of the parties equally. For purposes of making this division, the court shall value the assets and liabilities as near as practicable to the time of trial, except that, upon 30 days' notice by the moving party to the other party, the court for good cause shown may value all or any portion of the assets and liabilities at a date after separation and prior to trial to accomplish an equal division of the community estate of the parties in an equitable manner.

For the purposes of division and in confirming or assigning the liabilities of the parties for which the community estate is liable, the court shall characterize liabilities as separate or community and confirm or assign them to the parties in accordance with subdivision (c).

As used in this section, "community estate" includes both the community and quasi-community assets and liabilities of the parties.

(b) Notwithstanding subdivision (a), the court may divide the community estate as follows:

(1) Where economic circumstances warrant, the court may award any asset to one party on such conditions as it deems proper to effect

a substantially equal division of the property.

(2) As an additional award or offset against existing property, the court may award, from a party's share, any sum it determines to have been deliberately misappropriated by the party to the exclusion of the interest of the other party in the community estate.

(3) If the net value of the community estate is less than five thousand dollars ($5,000) and one party cannot be located through the exercise of reasonable diligence, the court may award all such property to the other party on such conditions as it deems proper in its judgment decreeing the dissolution of the marriage or in its judgment decreeing the legal separation of the parties.

(4) Community estate personal injury damages shall be assigned to the party who suffered the injuries unless the court, after taking into account the economic condition and needs of each party, the time that has elapsed since the recovery of the damages or the accrual of the cause of action, and all other facts of the case, determines that the interests of justice require another disposition. In such a case, the community property personal injury damages shall be assigned to the respective parties in such proportions as the court determines to be just, except that at least one-half of the damages shall be assigned to the party who suffered the injuries. As used in this subdivision, "community estate personal injury damages" means all money or other property received or to be received by a person in satisfaction of a judgment for damages for his or her personal injuries or pursuant to an agreement for the settlement or compromise of a claim for the damages, if the cause of action for the damages arose during the marriage but is not separate property as defined in Section 5126, unless the money or other property has been commingled with other assets of the community estate.

(5) Notwithstanding subdivisions (a) and (c), educational loans shall be assigned pursuant to Section 4800.3 and liabilities subject to paragraph (2) of subdivision (b) of Section 5122 shall be assigned to the spouse whose act or omission provided the basis for the liability, without offset.

(c) The debts for which the community estate is liable which are unpaid at the time of trial or for which the community estate becomes liable after trial, shall be confirmed or divided as follows:

(1) Debts incurred by either spouse before the date of marriage shall be confirmed without offset to the spouse who incurred the debt.

(2) Debts incurred by either spouse after the date of marriage but prior to the date of separation shall be divided as set forth in subdivisions (a) and (b). To the extent that community debts exceed total community and quasi-community assets, the excess of debt shall be assigned as the court deems just and equitable, taking into account factors such as the parties' relative ability to pay.

(3) Debts incurred by either spouse after the date of separation but before entry of a judgment of dissolution or legal separation shall

be confirmed as follows:

(A) Debts incurred by either spouse for the common necessaries of life of either spouse or the necessaries of life of the minor children of the marriage, in the absence of a court order or written agreement for support or for the payment of these debts, shall be confirmed to either spouse according to the parties' respective needs and abilities to pay at the time the debt was incurred.

(B) Debts incurred by either spouse for nonnecessaries of that spouse or minor children of the marriage shall be confirmed without offset to the spouse who incurred the debt.

(4) Debts incurred by either spouse after entry of a judgment of dissolution but prior to termination of the parties' marital status or after entry of a judgment of legal separation shall be confirmed without offset to the spouse who incurred the debt.

(d) Notwithstanding subdivision (c), all separate debts, including those debts incurred by a spouse during marriage and before the date of separation that were not incurred for the benefit of the community, shall be confirmed without offset to the spouse who incurred the debt.

(e) The court has jurisdiction to order reimbursement in cases it deems appropriate for debts paid after separation but prior to trial.

(f) The court may make such orders as it deems necessary to carry out the purposes of this section.

CHAPTER 216

An act to repeal and add Section 7262 of the Revenue and Taxation Code, and to amend Section 3 of Chapter 1663 of the Statutes of 1984, relating to taxation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 28, 1986 Filed with Secretary of State June 30, 1986]

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

SECTION 1. Section 7262 of the Revenue and Taxation Code, as amended by Section 3 of Chapter 1707 of the Statutes of 1984, is repealed.

SEC. 2. Section 7262 of the Revenue and Taxation Code, as amended by Section 11 of Chapter 838 of the Statutes of 1985, is repealed.

SEC. 3. Section 7262 of the Revenue and Taxation Code, as amended by Section 12 of Chapter 838 of the Statutes of 1985, is repealed.

SEC. 4. Section 7262 is added to the Revenue and Taxation Code, to read:

7262. (a) The use tax portion of any transactions and use tax

ordinance adopted under this part shall impose a complementary tax upon the storage, use, or other consumption in the district of tangible personal property purchased from any retailer for storage, use, or other consumption in the district. The tax shall be at a rate of one-half of 1 percent of the sales price of the property whose storage, use, or other consumption is subject to the tax, and the ordinance shall include provisions in substance as follows:

(1) Provisions identical to those contained in Part 1 (commencing with Section 6001), insofar as they relate to use taxes and are not inconsistent with this part, except that the name of the district as the taxing agency shall be substituted for that of the state. The name of the district shall be substituted for the word "state" in the phrase "retailer engaged in business in this state" in Section 6203 and in the definition of that phrase.

An additional provision shall be included that a retailer engaged in business in the district shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the district or participates within the district in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the district or through any representative, agent, canvasser, solicitor, subsidiary, or person in the district under the authority of the retailer.

(2) A provision that all amendments to the provisions of Part 1 (commencing with Section 6001) relating to the use tax and not inconsistent with this part shall automatically become a part of the ordinance. However, no amendment shall operate so as to affect the rate of tax imposed by the district's board.

(3) A provision that the amount subject to tax shall not include the amount of any sales tax or use tax imposed by the State of California or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law (Part 1.5 (commencing with Section 7200)) or the amount of any state-administered transactions or use tax.

(4) A provision that any person subject to a use tax under an ordinance adopted pursuant to this part shall be entitled to credit against that tax or any transactions tax, or to reimbursement for a transactions tax, paid to a district or retailer in a district imposing a transactions and use tax pursuant to this part.

(5) A provision that, in addition to the exemptions provided in Sections 6366 and 6366.1, the storage, use, or other consumption of tangible personal property purchased by operators of aircraft, and used or consumed by the operators directly and exclusively in the use of the aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this state, the United States, or any foreign government, is exempt from the use tax.

(6) A provision that the storage, use, or other consumption in the district of tangible personal property is exempt from the tax if the

purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the operative date of the ordinance. The possession of, or the exercise of any right or power over, tangible personal property under a lease which is a continuing purchase of the property is exempt from tax for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease entered into prior to the operative date of the ordinance. For purposes of this subdivision, the storage, use, or other consumption of, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not the right is exercised.

(b) This section shall become operative on January 1, 1988.

SEC. 5. Section 7262 is added to the Revenue and Taxation Code, to read:

7262. (a) The use tax portion of any transactions and use tax ordinance adopted under this part shall impose a complementary tax upon the storage, use, or other consumption in the district of tangible personal property purchased from any retailer for storage, use, or other consumption in the district. The tax shall be at a rate of one-half of 1 percent of the sales price of the property whose storage, use, or other consumption is subject to the tax, and the ordinance shall include provisions in substance as follows:

(1) Provisions identical to those contained in Part 1 (commencing with Section 6001), insofar as they relate to use taxes and are not inconsistent with this part, except that the name of the district as the taxing agency shall be substituted for that of the state. The name of the district shall be substituted for the word "state" in the phrase "retailer engaged in business in this state" in Section 6203 and in the definition of that phrase.

An additional provision shall be included that a retailer engaged in business in the district shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the district or participates within the district in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the district or through any representative, agent, canvasser, solicitor, subsidiary, or person in the district under the authority of the retailer.

(2) A provision that all amendments to the provisions of Part 1 (commencing with Section 6001) relating to the use tax and not inconsistent with this part shall automatically become a part of the ordinance. However, no amendment shall operate so as to affect the rate of tax imposed by the district's board.

(3) A provision that the amount subject to the tax shall not include the amount of any sales tax or use tax imposed by the State of California or by any city, city and county, or county pursuant to the

Bradley-Burns Uniform Local Sales and Use Tax Law (Part 1.5 (commencing with Section 7200)) or the amount of any state-administered transactions or use tax.

(4) A provision that any person subject to a use tax under an ordinance adopted pursuant to this part shall be entitled to credit against that tax or any transactions tax, or to reimbursement for a transactions tax, paid to a district or retailer in a district imposing a transactions and use tax pursuant to this part.

(5) A provision that the storage, use, or other consumption of tangible personal property purchased by operators of waterborne vessels, and used or consumed by the operators directly and exclusively in the carriage of persons or property in the vessels for commercial purposes, is exempt from the use tax.

(6) A provision that, in addition to the exemptions provided in Sections 6366 and 6366.1, the storage, use, or other consumption of tangible personal property purchased by operators of aircraft, and used or consumed by the operators directly and exclusively in the use of the aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this state, the United States, or any foreign government, is exempt from the use tax.

(7) A provision that the storage, use, or other consumption in the district of tangible personal property is exempt from the tax if the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the operative date of the ordinance. The possession of, or the exercise of any right or power over, tangible personal property under a lease which is a continuing purchase of the property is exempt from tax for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease entered into prior to the operative date of the ordinance. For purposes of this subdivision, the storage, use, or other consumption of, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not the right is exercised.

(b) This section shall remain in effect only until January 1, 1988, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1988, deletes or extends that date.

SEC. 6. Section 3 of Chapter 1663 of the Statutes of 1984 is amended to read:

Sec. 3. The Legislature finds and declares that there presently is uncertainty in the application of diesel fuel taxes with respect to school districts and community college districts which this act is intended to clarify.

For the public purpose of assuring equity in the payment of diesel fuel taxes among school districts and community college districts, the Legislature, in enacting this act, intends to clarify existing law and

to affect all applicable pending proceedings which come within the provisions of paragraph (5) of subdivision (b) of Section 8655 of the Revenue and Taxation Code, as follows:

(a) Notwithstanding Section 8782 of the Revenue and Taxation Code, for reporting periods prior to July 1, 1984, the notice of determination to a school district, community college district, or county superintendent of schools shall be given within three years after the last day of the month following the period for which the return was due. Any unpaid liability determined for periods beyond a three-year statute of limitations is hereby canceled.

(b) No interest imposed pursuant to Section 8803 or 8876, or penalties imposed pursuant to Section 8801, 8804, or 8876, of the Revenue and Taxation Code shall apply to unpaid tax liabilities determined for any periods prior to July 1, 1984.

(c) With respect to unpaid tax liabilities determined for the period between July 1, 1981, and July 1, 1984, pursuant to Section 8801 or 8876, the taxes may, at the option of the taxpayer, be paid over a period of up to 10 years. No penalties shall be assessed so long as the installment payments are made timely, but interest on the unpaid balance shall be paid as prescribed by Section 8876 of the Revenue and Taxation Code.

(d) If the State Board of Equalization finds that the failure to make a timely payment pursuant to subdivision (c) is due to reasonable cause and circumstances beyond the taxpayer's control, and occurred, notwithstanding the exercise of ordinary care and the absence of willful neglect, the taxpayer may be relieved of the penalty.

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

In order to ensure that there is adequate, reasonably cost-effective transportation for public school pupils during the 1984–85 school year, and to revise a provision regarding the transactions and use tax imposed by various transportation entities to become operative as soon as possible, it is necessary that this act take effect immediately.

CHAPTER 217

An act to amend Section 2003 of the Fish and Game Code, relating to fish and game.

[Approved by Governor June 28, 1986 Filed with Secretary of State June 30, 1986]

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

SECTION 1. Section 2003 of the Fish and Game Code is amended to read:

2003. (a) It is unlawful to offer any prize or other inducement as a reward for the taking of any game birds, mammals, fish, reptiles, or amphibia in an individual contest, tournament, or derby where the total value of all prizes or other inducements exceeds two hundred dollars ($200), except for trout, striped bass, black bass, Tilapia, or Corvina pursuant to a permit issued under subdivision (b).

(b) The department may issue a permit to any person, as defined in Section 67, authorizing that person to offer a prize or other inducement as a reward for the taking of trout, striped bass, black bass, Tilapia, or Corvina. The department may issue a permit if it finds that there would be no detriment to the resource. The permit is subject to regulations adopted by the commission, except that no permit is required for any person where the total value of all of the prizes or other inducements does not exceed two hundred dollars ($200) for each individual contest, tournament, or derby. The application for the permit shall be accompanied by a fee in the amount determined by the department as necessary to cover the reasonable administrative costs incurred by the department in issuing the permit.

(c) This section does not apply to any person, as defined in Section 67, conducting what are generally known as frog-jumping contests or fish contests conducted in waters of the Pacific Ocean.

CHAPTER 218

An act to amend Sections 54442, 58574, and 58576 of, and to add Sections 58577, 58578, 58579, and 58580 to, the Food and Agricultural Code, relating to agriculture, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 28, 1986 Filed with Secretary of State June 30, 1986]

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

SECTION 1. Section 54442 of the Food and Agricultural Code is amended to read:

54442. (a) To aid in preparation of the report required under this chapter, the director shall establish an advisory committee consisting of the following persons:

(1) Six representatives of cooperative bargaining associations from names submitted by cooperative bargaining associations, two of whom shall be appointed by the Governor, two of whom shall be appointed by the Speaker of the Assembly, and two of whom shall be appointed by the Senate Committee on Rules.

(2) Six representatives of processors from names submitted by processors, two of whom shall be appointed by the Governor, two of whom shall be appointed by the Speaker of the Assembly, and two of whom shall be appointed by the Senate Committee on Rules.

(b) The members of the advisory committee shall be reimbursed for travel expenses pursuant to the rules and regulations adopted by the Director of the Department of Personnel Administration pursuant to Section 19820 of the Government Code for attendance at a meeting approved by the Director of Food and Agriculture.

SEC. 2. Section 58574 of the Food and Agricultural Code is amended to read:

58574. (a) State funds may be used to pay costs which are essential to, and clearly identifiable with, the carrying out of the activities specified in the marketing plan approved by the director.

(b) The director shall adopt regulations similar to those developed by the Foreign Agriculture Service of the United States Department of Agriculture to proscribe the unauthorized use of state funds pursuant to this chapter.

(c) Not more than four hundred thousand dollars ($400,000) shall be annually appropriated for this program's state administrative costs, as specified in the annual Budget Bill.

(d) Not more than 15 percent of the funds annually appropriated for this program shall be used for any one project agreement in any one year unless the director approves a higher level upon concurrence of a majority vote of the advisory committee authorized pursuant to Section 58576.

(e) Cooperators shall provide an annual contribution which is equal to or greater than the amount of state funds utilized for each project agreement.

SEC. 3. Section 58576 of the Food and Agricultural Code is amended to read:

58576. An advisory committee shall be established to review and make recommendations to the director on which project proposals to fund. The advisory committee shall be made up of all of the following:

(a) The President of the State Board of Food and Agriculture or his or her designee.

(b) The Secretary of the Business, Transportation and Housing Agency or his or her designee.

(c) Two appointees of the director who have demonstrated international agricultural marketing experience and have had no fiduciary interest for the last two years in international marketing of agricultural products.

(d) Two appointees of the Governor who have demonstrated international agricultural marketing and financial experience and have had no fiduciary interest for the last two years in either marketing of agricultural products or finance.

(e) One appointee of the Senate Committee on Rules who has demonstrated international agricultural marketing experience and has had no fiduciary interest for the last two years in international marketing of agricultural products.

(f) One appointee of the Speaker of the Assembly who has demonstrated international agricultural marketing experience and has had no fiduciary interest for the last two years in international marketing of agricultural products.

(g) The Executive Director of the World Trade Commission or his or her designee.

The terms of the appointees shall be four years, except that the appointees first appointed to the advisory committee shall classify themselves by lot so that the term of two appointees shall expire on January 15, 1988, the term of two appointees shall expire on January 15, 1989, and the term of two appointees shall expire on January 15, 1990. In no event shall any appointee serve more than two consecutive terms.

SEC. 4. Section 58577 is added to the Food and Agricultural Code, to read:

58577. The director, the Director of General Services, and the advisory committee shall take necessary precautions to assure the confidentiality of the information which is contained in proposals for project agreements, market development plans, progress reports, documents in support of claims for funding under a project agreement, and other pertinent information submitted by individual marketing organizations.

SEC. 5. Section 58578 is added to the Food and Agricultural Code, to read:

58578. All project agreements entered into pursuant to this chapter, unless exempted in accordance with Section 10351 of the Public Contract Code, shall be submitted to the Director of General Services for approval. The director shall have 15 working days from the date of submittal to review and approve or disapprove.

SEC. 6. Section 58579 is added to the Food and Agricultural Code, to read:

58579. The members of the advisory committee shall be reimbursed for travel expenses pursuant to the rules and regulations adopted by the Director of the Department of Personnel Administration pursuant to Section 19820 of the Government Code

for attendance at a meeting approved by the Director of Food and Agriculture.

SEC. 7. Section 58580 is added to the Food and Agricultural Code, to read:

58580. Nothing in this chapter precludes the director from separately funding project proposals coming from private or nonprofit agricultural marketing organizations, state marketing order boards, or commissions which are actively engaged in the marketing of the same commodities.

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

California's agriculture is currently mired in a deep recession. Therefore, it is important that the elements of the Foreign Market Development Export Incentive Program for California Agriculture Act commence soon in order to encourage the export of this state's farm products and to aid in relieving the recession and to reimburse members of various advisory committees for their travel expenses. Thus, it is necessary that this act take effect immediately.

CHAPTER 219

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

[Approved by Governor June 28, 1986 Filed with Secretary of State June 30, 1986]

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

SECTION 1. (a) The state shall not be liable for any claim for money or damages against the Monterey County Special Health Care Authority, or against the state, its officials, agencies, or departments, arising as a result of the Medi-Cal pilot project involving the authority.

(b) The appropriation of funds to the Controller in Provision 17 of Item 4260-101-001 of the Budget Act for the 1986–87 fiscal year (Assembly Bill 3217 of the 1985–86 Regular Session) for disbursement to the United States Bankruptcy Court for the Northern District of California for the purposes of adjustment of debts of the authority created pursuant to Part 3 (commencing with Section 1170) of Division 1 of the Health and Safety Code shall constitute the total state adjustment of debts of the authority.

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

In order to satisfy claims against the Monterey County Special Health Care Authority and thereby end hardship to claimants as soon as possible, it is necessary for this act to take effect immediately.

CHAPTER 220

An act to amend Sections 487, 580, 581, 582, 583, 584, 585, 715, 2081, 2305, 2317, 2326, and 2440 of the Business and Professions Code, and to amend Section 803 of the Penal Code, relating to business and professions, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 28, 1986 Filed with Secretary of State June 30, 1986]

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

SECTION 1. Section 487 of the Business and Professions Code is amended to read:

487. If a hearing is requested by the applicant, the board shall conduct such hearing within 90 days from the date the hearing is requested unless the applicant shall request or agree in writing to a postponement or continuance of the hearing. Notwithstanding the above, the Office of Administrative Hearings may order, or on a showing of good cause, grant a request for, up to 45 additional days within which to conduct a hearing, except in cases involving alleged examination or licensing fraud, in which cases the period may be up to 180 days. In no case shall more than two such orders be made or requests be granted.

SEC. 2. Section 580 of the Business and Professions Code is amended to read:

580. No person, company, or association shall sell or barter or offer to sell or barter any medical degree, podiatric degree, or osteopathic degree, or chiropractic degree, or any other degree which is required for licensure, certification, or registration under this division, or any degree, certificate, transcript, or any other writing, made or purporting to be made pursuant to any laws regulating the licensing and registration or issuing of a certificate to physicians and surgeons, podiatrists, osteopathic physicians, chiropractors, persons lawfully engaged in any other system or mode of treating the sick or afflicted, or to any other person licensed, certified, or registered under this division.

SEC. 3. Section 581 of the Business and Professions Code is amended to read:

581. No person, company, or association shall purchase or procure by barter or by any unlawful means or method, or have in possession any diploma, certificate, transcript, or any other writing with intent that it shall be used as evidence of the holder's

qualifications to practice as a physician and surgeon, osteopathic physician, podiatrist, any other system or mode of treating the sick or afflicted, as provided in the Medical Practice Act, Chapter 5 (commencing with Section 2000), or to practice as any other licentiate under this division or in any fraud of the law regulating this practice or, shall with fraudulent intent, alter in a material regard, any such diploma, certificate, transcript, or any other writing.

SEC. 4. Section 582 of the Business and Professions Code is amended to read:

582. No person, company, or association shall use or attempt to use any diploma, certificate, transcript, or any other writing which has been purchased, fraudulently issued, illegally obtained, counterfeited, or materially altered, either as a certificate or as to character or color of certificate, to practice as a physician and surgeon, podiatrist, osteopathic physician, or a chiropractor, or to practice any other system or mode of treating the sick or afflicted, as provided in the Medical Practice Act, Chapter 5 (commencing with Section 2000) or to practice as any other licentiate under this division.

SEC. 5. Section 583 of the Business and Professions Code is amended to read:

583. No person shall in any document or writing required of an applicant for examination, license, certificate, or registration under this division, the Osteopathic Initiative Act, or the Chiropractic Initiative Act, willfully make a false statement in a material regard.

SEC. 6. Section 584 of the Business and Professions Code is amended to read:

584. No person shall violate the security of any examination, as defined in subdivision (a) of Section 496, or impersonate, attempt to impersonate, or solicit the impersonation of, another in any examination for a license, certificate, or registration to practice as provided in this division, the Osteopathic Initiative Act, or the Chiropractic Initiative Act, or under any other law providing for the regulation of any other system or method of treating the sick or afflicted in this state.

SEC. 7. Section 585 of the Business and Professions Code is amended to read:

585. Any person, company, or association violating the provisions of this article is guilty of a felony and upon conviction thereof shall be punishable by a fine of not less than two thousand dollars ($2,000) nor more than six thousand dollars ($6,000), or by imprisonment in the state prison. The enforcement remedies provided under this article are not exclusive and shall not preclude the use of any other criminal, civil, or administrative remedy.

SEC. 7.5. Section 715 of the Business and Professions Code is amended to read:

715. Unless otherwise required by federal law or regulation, no board under this division which licenses dentists, physicians and surgeons, podiatrists, or nurses may require a person to obtain or

maintain any license to practice a profession or render services in the State of California if one of the following applies:

(a) The person practicing a profession or rendering services does so exclusively as an employee of a department, bureau, office, division, or similarly constituted agency of the federal government, and provides medical services exclusively on a federal reservation or at any facility wholly supported by and maintained by the United States government.

(b) The person practicing a profession or rendering services does so solely pursuant to a contract with the federal government on a federal reservation or at any facility wholly supported and maintained by the United States government.

(c) The person practicing a profession or rendering services does so pursuant to, or as a part of a program or project conducted or administered by a department, bureau, office, division, or similarly constituted agency of the federal government which by federal statute expressly exempts persons practicing a profession or rendering services as part of the program or project from state laws requiring licensure.

SEC. 8. Section 2081 of the Business and Professions Code is amended to read:

2081. Each application shall be made upon a form provided by the Division of Licensing, and each application form shall contain a legal verification to be signed by the applicant verifying under penalty of perjury that the information provided by the applicant is true and correct and that any information in supporting documents provided by the applicant is true and correct.

SEC. 9. Section 2305 of the Business and Professions Code is amended to read:

2305. The revocation, suspension, or other discipline by another state of a license or certificate to practice medicine issued by the state, or the revocation, suspension, or restriction of the authority to practice medicine by any agency of the federal government, to a licensee under this chapter shall constitute grounds for disciplinary action for unprofessional conduct against such licensee in this state.

SEC. 9.5. Section 2317 of the Business and Professions Code is amended to read:

2317. If a person, not a regular employee of the board, is hired or under contract to provide expertise to the board or any agency under the jurisdiction of the board and the person is named as a defendant in a civil action, the board or agency using the person shall, upon receipt of a written request for defense from the person, provide for representation required to defend the defendant in such a civil action if it is reasonably determined that the action is substantially related to or arises from opinions, statements, testimony, or other assistance given by the person to the board or other agency. The board or other agency shall not be liable for any judgment rendered against such person. The Attorney General shall be utilized in such actions as provided in Section 2020.

SEC. 10. Section 2326 of the Business and Professions Code is amended to read:

2326. Each member of a committee or physician peer counseling panel shall receive per diem and expenses as provided in Section 2016.

SEC. 11. Section 2440 of the Business and Professions Code is amended to read:

2440. (a) Every licensee is exempt from the payment of the renewal fee while engaged in full-time training or active service in the Army, Navy, Air Force, or Marines, or in the United States Public Health Service.

(b) Every person exempted from the payment of the renewal fee by this section shall not engage in any private practice and shall become liable for payment of such fee for the current renewal period upon his or her discharge from full-time active service and shall have a period of 60 days after becoming liable within which to pay the renewal fee before the delinquency fee is required. Any person who is discharged from active service within 60 days of the end of a renewal period is exempt from the payment of the renewal fee for that period.

(c) The time spent in full-time active service or training shall not be included in the computation of the five-year period for renewal and reinstatement of licensure provided in Sections 2427 and 2428.

(d) Nothing in this section shall exempt a person, exempt from renewal fees under this section, from meeting the requirements of Article 10 (commencing with Section 2190).

SEC. 12. Section 803 of the Penal Code is amended to read:

803. (a) Except as provided in this section, a limitation of time prescribed in this chapter is not tolled or extended for any reason.

(b) No time during which prosecution of the same person for the same conduct is pending in a court of this state is a part of a limitation of time prescribed in this chapter.

(c) A limitation of time prescribed in this chapter does not commence to run until discovery of an offense described in this subdivision. This subdivision applies to an offense punishable by imprisonment in the state prison a material element of which is fraud or breach of a fiduciary obligation or the basis of which is misconduct in office by a public officer, employee, or appointee, including but not limited to the following offenses:

(1) Grand theft of any type, forgery, falsification of public records, or acceptance of a bribe by a public official or a public employee.

(2) A violation of Section 72, 118, 118a, 132, or 134.

(3) A violation of Section 25540 of any type or 25541 of the Corporations Code.

(4) A violation of Section 1090 or 27443 of the Government Code.

(5) Felony welfare fraud or Medi-Cal fraud in violation of Section 11483 or 14107 of the Welfare and Institutions Code.

(6) A violation of Section 580, 581, 582, 583, or 584 of the Business and Professions Code.

(d) If the defendant is out of the state when or after the offense is committed, the prosecution may be commenced as provided in Section 804 within the limitations of time prescribed by this chapter, and no time up to a maximum of three years during which the defendant is not within the state shall be a part of those limitations.

(e) A limitation of time prescribed in this chapter does not commence to run until the offense has been discovered, or could have reasonably been discovered, with regard to those offenses set forth under Division 7 (commencing with Section 13000) of the Water Code or those offenses set forth under Chapter 6.5 (commencing with Section 25100) of Division 20 of the Health and Safety Code.

SEC. 13. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

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

In order that certain licensing boards may more efficiently prosecute persons filing false or fraudulent applications for a license, it is necessary that this act go into immediate effect.

CHAPTER 221

An act to amend Sections 5621 and 5628 of the Public Resources Code, relating to parks and recreation, and making an appropriation therefor.

[Approved by Governor June 28, 1986. Filed with Secretary of State June 30, 1986.]

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

SECTION 1. Section 5621 of the Public Resources Code is amended to read:

5621. As used in this chapter:

(a) "City" includes the City and County of San Francisco; "county" does not include the City and County of San Francisco or a county service area, or zone therein, within the County of San Bernardino empowered to provide public park and recreation services pursuant to Chapter 2.2 (commencing with Section 25210.1) of Part 1 of Division 2 of Title 3 of the Government Code.

(b) "Districts" means regional park districts formed under Article 3 (commencing with Section 5500) of Chapter 3; recreation and park

districts formed under Chapter 4 (commencing with Section 5780); any public utility district formed under Division 7 (commencing with Section 15501) of the Public Utilities Code in a nonurbanized area that employs a full-time park and recreation director and offers year-round park and recreation services on lands and facilities owned by the district; any community services district formed under Division 3 (commencing with Section 61000) of Title 6 of the Government Code in a nonurbanized area which is authorized to provide public recreation as specified in subdivision (e) of Section 61600 of the Government Code; any memorial district formed under Chapter 1 (commencing with Section 1170) of Division 6 of the Military and Veterans Code that employs a full-time park and recreation director and offers year-round park and recreation services on lands and facilities owned by the district; the Malaga County Water District exercising powers authorized under Section 31133 of the Water Code; and any county service area, or zone therein, within the County of San Bernardino which is empowered to provide public park and recreation services pursuant to Chapter 2.2 (commencing with Section 25210.1) of Part 1 of Division 2 of Title 3 of the Government Code, which is actually providing public park and recreation services, and which was reorganized prior to January 1, 1987, from a park and recreation district to a county service area or zone.

(c) "Urbanized area" consists of a central city or cities and surrounding closely settled territory, as determined by the Department of Finance on the basis of the most recent verifiable census data. "Urbanized county" means any county, except the City and County of San Francisco, with a population of 200,000 or more, as determined by the Department of Finance on the basis of the most recent verifiable census data.

(d) "Heavily urbanized area" means a large city with a population of 300,000 or more and a large county or regional park district with a population of 1,000,000 or more, as determined by the Department of Finance on the basis of the most recent verifiable census data.

(e) "Nonurbanized area" means any city, county, or district which does not qualify as an urbanized area or urbanized county under the definitions in subdivision (c).

(f) "Block grant" means the allocation of moneys for one or more projects for the acquisition or development of recreational lands and facilities.

(g) "Need basis grant" means the allocation of moneys for one or more projects for the acquisition or development of recreational lands and facilities on a project-by-project basis, based upon need.

(h) "Account" means the Roberti-Z'berg-Harris Urban Open-Space and Recreation Program Account in the General Fund.

(i) "Special major maintenance project" means a rehabilitation or refurbishing activity performed on an annual or more infrequent interval, excluding capital improvements and routinized or other regularly scheduled and performed tasks such as grounds mowing,

hedge trimming, garbage removal, and watering. Special major maintenance project includes activities which will reduce energy requirements to operate recreational lands or facilities.

(j) "Innovative recreation program" means specially designed, creative social, cultural, and human service activities which by their nature are intended to respond to the unique and otherwise unmet recreation needs of special urban populations, including, but not limited to, senior citizens, physically or emotionally handicapped, chronic and "new" poor, single parents, "latchkey" children, and minorities. The term includes special transportation programs designed to facilitate access of these groups to parks and recreational programs and facilities.

SEC. 2. Section 5628 of the Public Resources Code is amended to read:

5628. Sixty-nine percent of the moneys available for grant purposes in any one fiscal year shall be available only for block grants to cities, counties, and districts in urbanized areas for the acquisition or development of, or for special major maintenance of, recreational lands and facilities, or for innovative recreation programs, and shall be apportioned on the basis of population in the following manner:

(a) Sixty percent of the moneys shall be allocated to cities and to districts in urbanized areas in the proportion that the population of the jurisdiction bears to the population of all cities and districts in urbanized areas throughout the state. Recognizing that the boundaries of cities and of districts may overlap, only the population of the jurisdiction which will actually provide and administer the recreational service contemplated shall be counted in the area of overlapping jurisdiction. The population of districts within urbanized areas shall be certified by the board of supervisors of each county.

(b) Forty percent of the moneys shall be allocated to urbanized counties and to regional park districts in urbanized areas in the proportion that the total population of the jurisdiction bears to the total population of all urbanized counties and regional park districts in urbanized areas throughout the state. Recognizing that the boundaries of counties and regional park districts may overlap, only the population of the jurisdiction which will actually provide and administer the recreational service contemplated shall be counted in the area of overlapping jurisdiction.

CHAPTER 222

An act to amend Section 21382.4 of the Government Code, relating to public employees.

[Approved by Governor June 28, 1986 Filed with Secretary of State June 30, 1986.]

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

SECTION 1. Section 21382.4 of the Government Code is amended to read:

21382.4. (a) In lieu of benefits provided in Section 21382 or Section 21382.2, if the death benefit provided by Section 21361 is payable on account of a state member's death which occurs under circumstances other than those described in subdivision (a) (5) of Section 21360, or if an allowance under Section 21365.5 is payable, the payment pursuant to subdivision (b) shall be made in the following order of priority:

(1) The surviving wife or surviving husband of the member, who has the care of unmarried children, including stepchildren, of the member who are under 22 years of age, or are incapacitated because of disability which began before and has continued without interruption after attainment of that age.

(2) The guardian of surviving unmarried children, including stepchildren, of the member who are 22 years of age or are so incapacitated.

(3) The surviving wife or surviving husband of the member, who does not qualify under paragraph (1).

(4) Each surviving parent of the member.

(b) Regardless of the benefit provided by Section 21361 and of the beneficiary designated by the member under that section, or regardless of the allowance provided under Section 21365.5, the following applicable 1959 survivor allowance, under the conditions stated and from contributions of the state, shall be paid:

(1) A widow or a widower who was married to the member prior to the occurrence of the injury or onset of the illness which resulted in death, and has the care of unmarried children, including stepchildren, of the deceased member who are under 22 years of age or are so incapacitated, shall be paid seven hundred dollars ($700) per month if there is one such child, or eight hundred forty dollars ($840) per month if there are two or more such children. If there also are such children who are not in the care of the surviving spouse, the portion of the allowance payable under this paragraph, assuming that these children were in the care of the surviving spouse, which is in excess of three hundred fifty dollars ($350) per month, shall be divided equally among all those children and payments made to the spouse and other children, as the case may be.

(2) If there is no such surviving spouse, or if the surviving spouse

dies or remarries, and if there are unmarried children, including stepchildren, of the deceased member who are under 22 years of age or are so incapacitated, or if there are such children not in the care of the spouse, the children shall be paid an allowance as follows:

(A) If there is only one child, the child shall be paid three hundred fifty dollars ($350) per month.

(B) If there are two children, the children shall be paid seven hundred dollars ($700) per month divided equally between them.

(C) If there are three or more children, the children shall be paid eight hundred forty dollars ($840) per month divided equally among them.

(3) A widow or a widower who has attained or attains the age of 62 years, and, with respect to both widow and widower, who was married to the member prior to the occurrence of the injury or onset of the illness which resulted in death and has not remarried subsequent to the member's death, shall be paid three hundred fifty dollars ($350) per month. No allowance shall be paid under paragraph (1), or while an allowance is being paid under subparagraph (C) of paragraph (2). The allowance paid under this paragraph shall be one hundred forty dollars ($140) per month while an allowance is being paid under subparagraph (B) of paragraph (2).

(4) If there is no surviving spouse or surviving child who qualifies for the 1959 survivor allowance, or if the surviving spouse dies or remarries and there is no such surviving child, or if the surviving spouse dies or remarries and the children die or marry or, if not incapacitated, reach 22 years of age, each of the member's dependent parents who has attained or attains the age of 62 years, and who received at least one-half of his support from the member at the time of the member's death, shall be paid three hundred fifty dollars ($350) per month.

(c) "Stepchildren," for purposes of this section, shall include only stepchildren of the member living with the member in a regular parent-child relationship at the time of the death of the member.

(d) This section shall apply to beneficiaries of state members whose death occurred before January 1, 1985. Where a surviving spouse attained age 62 prior to January 1, 1987, entitlement shall exist retroactive to January 1, 1985, or to his or her 62nd birthday, whichever is later. All assets and liabilities of all state agencies and their employees on account of benefits provided to beneficiaries specified in this subdivision shall be pooled into a single account. The board shall transfer from the reserve for 1959 survivor contributions retained in the retirement fund, an amount sufficient to pay the cost of the increased benefits provided by this subdivision for beneficiaries of members who died on or before December 31, 1984.

(e) This section shall not apply to beneficiaries with respect to the death of a state member occurring on or after January 1, 1985, unless provided for in a memorandum of understanding reached pursuant to Section 3517.5, or authorized by the Director of the Department of Personnel Administration for classifications of state employees

who are excluded from, or not subject to, collective bargaining. The memorandum of understanding adopting this section shall be controlling without further legislative action, except that if those provisions of a memorandum of understanding require the expenditure of funds, those provisions shall not become effective unless approved by the Legislature as provided by law.

(f) This section shall apply, with respect to benefits payable on and after January 1, 1985, to school members, except that it shall not apply, without contract amendment, with respect to safety members who became members after January 1, 1985. All assets and liabilities of all school employers, and their employees, on account of benefits provided under this article shall be pooled into a single account, and a single employer rate shall be established to provide benefits under this section on account of school members employed by a school employer.

(g) This section shall apply to members of a contracting agency which, by amending its contract, first elects effective on or after January 1, 1985, to make this article applicable to local members employed by the agency. On and after January 1, 1985, contracting agencies already subject to Section 21382 or Section 21382.2 may elect by contract amendment to be subject to this section. All assets and liabilities of all contracting agencies subject to this section, and their employees, on account of benefits provided under this article shall be pooled into a single account, and a single employer rate shall be established to provide benefits under this section on account of members employed by a contracting agency which is subject to this section.

(h) The rate of contribution of an employer subject to this section shall be figured using the term insurance valuation method. If a contracting agency which is subject to this section has a surplus in its 1959 survivor benefit account as of the date the contracting agency becomes subject to this section, such surplus will be applied to reduce its rate of contribution. If a contracting agency which is subject to this section has a deficit in its 1959 survivor benefit account as of the date the contracting agency becomes subject to this section, its rate of contribution will be increased until the deficit is paid.

CHAPTER 223

An act to amend Section 1260 of the Military and Veterans Code, relating to veterans.

[Approved by Governor June 28, 1986 Filed with Secretary of State June 30, 1986]

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

SECTION 1. Section 1260 of the Military and Veterans Code is amended to read:

1260. As used in this chapter, unless the context otherwise indicates:

(a) "Political subdivision" means any city, county, city and county, district, or other local governmental agency.

(b) "Governing body" means the board of supervisors in case of a county or city and county, or the city council or board of trustees or other governing board in the case of a city, district, or other local governmental agency.

(c) "Veterans' association" means any association or organization composed solely of persons who served honorably in time of war or in time of peace in a campaign or expedition for service in which a medal has been authorized by the government of the United States as members of the armed forces of the United States, or who as citizens of the United States served honorably in time of war as members of the armed forces of any nation whose government was allied with the United States during that war, and which are organized for patriotic, fraternal, and benevolent objects.

CHAPTER 224

An act to amend Sections 14670.1, 14670.2, and 14672.6 of, and to add Section 14672.95 to, the Government Code, and to amend Sections 4100, 4440, 7200, and 7500 of, to amend and renumber Sections 4445.5, 4446.5, and 4456.5 of, to add Section 4440.1 to, and to repeal Sections 4108.1 and 4445.6 of, the Welfare and Institutions Code, relating to state hospitals, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 28, 1986. Filed with Secretary of State June 30, 1986]

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

SECTION 1. Section 14670.1 of the Government Code is amended to read:

14670.1. Notwithstanding Section 14670, the Director of General Services, with the consent of the State Department of Mental Health, may let to a nonprofit corporation, for the purpose of conducting an educational and work program for mentally retarded persons, and for a period not to exceed 50 years, real property not exceeding 10 acres located within the grounds of the Napa State Hospital.

The lease authorized by this section shall be nonassignable and shall be subject to periodic review every five years. Such review shall be made by the Director of General Services, who shall do both of

the following:

(a) Assure the state that the original purposes of the lease are being carried out.

(b) Determine what, if any, adjustment should be made in the terms of the lease.

The lease shall also provide for an initial capital outlay by the lessee of thirty thousand dollars ($30,000) prior to January 1, 1976. Such capital outlay may be, or may have been, contributed before or after the effective date of the act adding this section.

SEC. 2. Section 14670.2 of the Government Code is amended to read:

14670.2. Notwithstanding Section 14670, the Director of General Services, with the consent of the State Department of Mental Health, may, in the best interests of the state, let to a public governmental agency, for the purpose of locating and conducting its trainable mentally retarded program, and for locating and conducting a child-care facility, and for a period not to exceed 50 years, real property not exceeding 10 acres located within the grounds of the Napa State Hospital.

The lease authorized by this section shall be nonassignable and shall be subject to periodic review every five years. Such review shall be made by the Director of General Services, who shall do both of the following:

(a) Assure the state the original purposes of the lease are being carried out.

(b) Determine what, if any, adjustment should be made in the terms of the lease.

The lease shall also provide for the establishment of a school building facility by the lessee prior to July 1, 1977. Such facility shall not be established until after the effective date of the act amending this section.

SEC. 3. Section 14672.6 of the Government Code is amended to read:

14672.6. Notwithstanding Section 14670, the Director of General Services, with the consent of the Director of Mental Health, may let to a nonprofit corporation, for the purpose of conducting a canteen for use in connection with Napa State Hospital, and for a period not to exceed 25 years, a building located within the grounds of Napa State Hospital at Napa, California.

SEC. 4. Section 14672.95 is added to the Government Code, to read:

14672.95. Notwithstanding Section 14670, the Director of General Services, with the consent of the State Department of Mental Health, may let to a nonprofit corporation or local government, for a period not to exceed 20 years, and for the purpose of providing services to elderly persons, a building located at Patton State Hospital.

SEC. 5. Section 4100 of the Welfare and Institutions Code is amended to read:

4100. The department has jurisdiction over the following

institutions:

(a) Atascadero State Hospital.

(b) Metropolitan State Hospital.

(c) Napa State Hospital.

(d) Patton State Hospital.

SEC. 6. Section 4108.1 of the Welfare and Institutions Code is repealed.

SEC. 7. Section 4440 of the Welfare and Institutions Code is amended to read:

4440. The department has jurisdiction over the following institutions:

Agnews State Hospital.

Camarillo State Hospital.

Fairview State Hospital.

Frank D. Lanterman State Hospital.

Porterville State Hospital.

Sonoma State Hospital.

Stockton State Hospital.

SEC. 8. Section 4440.1 is added to the Welfare and Institutions Code, to read:

4440.1. The department may contract with the State Department of Mental Health to provide services to persons with developmental disabilities in state hospitals under the jurisdiction of the State Department of Mental Health.

SEC. 9. Section 4445.5 of the Welfare and Institutions Code is amended and renumbered to read:

4105. The Director of General Services shall grant to the County of San Bernardino under such terms, conditions, and restrictions as he or she deems to be for the best interests of the state, the necessary easements and rights-of-way for all purposes of a public road on the Patton State Hospital property. The right-of-way shall be across, along, and upon the following described property:

The east 40 feet of the east one-half of the northwest one-quarter of Section 32, Township 1 North, Range 3 West, San Bernardino Base and Meridian, in the County of San Bernardino, State of California.

SEC. 10. Section 4445.6 of the Welfare and Institutions Code is repealed.

SEC. 11. Section 4446.5 of the Welfare and Institutions Code is amended and renumbered to read:

4106. Notwithstanding the provisions of Section 4104, the Director of General Services, with the consent of the State Department of Mental Health, may grant to the County of Napa a right-of-way for public road purposes over the northerly portion of the Napa State Hospital lands for the widening of Imola Avenue between Penny Lane and Fourth Avenue, upon such terms and conditions as the Director of General Services may deem for the best interests of the state.

SEC. 12. Section 4456.5 of the Welfare and Institutions Code is amended and renumbered to read:

4107. (a) The security of patients committed pursuant to Section 1026 of, and Chapter 6 (commencing with Section 1367) of Title 10 of Part 2 of, the Penal Code, and former Sections 6316 and 6321 of the Welfare and Institutions Code, at Patton State Hospital shall be the responsibility of the Director of the Department of Corrections.

(b) The Department of Corrections and the State Department of Mental Health shall jointly develop a plan to transfer all patients committed to Patton State Hospital pursuant to the provisions in subdivision (a) from Patton State Hospital no later than January 1, 1986, and shall transmit this plan to the Senate Committee on Judiciary and to the Assembly Committee on Criminal Justice, and to the Senate Health and Welfare Committee and Assembly Health Committee by June 30, 1983. The plan shall address whether the transferred patients shall be moved to other state hospitals or to correctional facilities, or both, for commitment and treatment.

(c) Notwithstanding any other provision of law, the State Department of Mental Health shall house no more than 1,034 patients at Patton State Hospital that have been committed pursuant to Section 1026 of, and Chapter 6 (commencing with Section 1367) of Title 10 of Part 2 of, the Penal Code, and former Sections 6316 and 6321 of the Welfare and Institutions Code.

(d) This section shall remain in effect only until all patients committed, pursuant to the provisions enumerated in subdivision (a), have been removed from Patton State Hospital and shall have no force or effect on or after that date.

SEC. 13. Section 7200 of the Welfare and Institutions Code is amended to read:

7200. There are in the state the following state hospitals for the care, treatment, and education of the mentally disordered:

(a) Metropolitan State Hospital near the City of Norwalk, Los Angeles County.

(b) Atascadero State Hospital near the City of Atascadero, San Luis Obispo County.

(c) Napa State Hospital near the City of Napa, Napa County.

(d) Patton State Hospital near the City of San Bernardino, San Bernardino County.

SEC. 14. Section 7500 of the Welfare and Institutions Code is amended to read:

7500. There are established in the state the following state hospitals for the care and treatment of the developmentally disabled:

(a) Sonoma State Hospital, in Sonoma County.

(b) Lanterman State Hospital, in Los Angeles County.

(c) Porterville State Hospital, in Tulare County.

(d) Fairview State Hospital, in Orange County.

(e) Agnews State Hospital, in Santa Clara County.

(f) Stockton State Hospital, in San Joaquin County.

(g) Camarillo State Hospital, in Ventura County.

Wherever in this code or in any provision of statute heretofore or hereafter enacted the term "home for the feebleminded," "home for

the mentally deficient," "state hospital for the mentally deficient," or "state hospital for the mentally retarded" is used, it shall be construed to refer to and mean "state hospital for the developmentally disabled."

SEC. 15. The Department of Mental Health shall on and after the effective date of this act assume such administrative functions and be vested with such powers as may be necessary to carry out the provisions of this act and to plan, provide, and implement the orderly assumption of those functions transferred to the Department of Mental Health by this act. The Director of Mental Health shall make all arrangements necessary to assure the effectuation of the transfer of programs, personnel, patients, facilities, and funds in an orderly manner and with no disruption of functions.

SEC. 16. Sections 5, 7, 11, 13, and 14 of this act shall become operative July 1, 1986.

SEC. 17. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to provide for adequate time for planning and placement of clients to the most appropriate, least restrictive alternative residential setting, and allow for administrative and budgetary planning for the 1986–87 fiscal year state budget, this act must take effect immediately.

CHAPTER 225

An act to amend Section 1719 of the Civil Code, relating to commercial paper.

[Approved by Governor June 28, 1986. Filed with Secretary of State June 30, 1986.]

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

SECTION 1. Section 1719 of the Civil Code is amended to read:

1719. (a) Notwithstanding any penal sanctions which may apply, any person who makes, utters, draws, or delivers any check, or draft, or order upon any bank or depository, or person, or firm, or corporation, for the payment of money, which refuses to honor the same for lack of funds or credit to pay, or because the maker has no account with the drawee, and who fails to pay the same amount in cash to the payee within 30 days following a written demand therefor mailed to the maker by certified mail, shall be liable to the payee, in addition to the amount owing upon that check or draft or order, for damages of treble the amount so owing, but in no case less than one hundred dollars ($100), and in no case more than five hundred dollars ($500), plus the costs of mailing the written demand for

payment.

A cause of action under this subdivision may be brought in small claims court, if it does not exceed the jurisdiction of that court, or in any other appropriate court.

(b) A cause of action under subdivision (a) may be brought in municipal or justice court by an assignee of the payee. However, if the assignee is acting on behalf of the payee, for a flat fee or a percentage fee, the assignee may not charge the payee a greater flat fee or percentage fee for that portion of the amount collected that represents triple damages than is charged the payee for collecting the face amount of the check, draft, or order.

CHAPTER 226

An act to add Section 5358.7 to the Welfare and Institutions Code, relating to conservatorships.

[Approved by Governor June 30, 1986 Filed with Secretary of State July 1, 1986.]

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

SECTION 1. Section 5358.7 is added to the Welfare and Institutions Code, to read:

5358.7. When any conservatee challenges his or her placement or conditions of confinement pursuant to Section 1473 of the Penal Code or Section 7250 of the Welfare and Institutions Code, notwithstanding the continuing jurisdiction of the court which appointed the conservators, judicial review shall be in the county where the conservatorship was established or in the county in which the conservatee is placed or confined. If the conservatee is released as a result of the hearing, he or she shall be returned to the county where the conservatorship originated.

CHAPTER 227

An act to add Section 61416.1 to, and to repeal and add Sections 61411 and 61411.1 of, the Food and Agricultural Code, relating to milk and dairy products.

[Approved by Governor July 1, 1986 Filed with Secretary of State July 2, 1986.]

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

SECTION 1. Section 61411 of the Food and Agricultural Code is repealed.

SEC. 2. Section 61411 is added to the Food and Agricultural Code, to read:

61411. The purchase of any manufacturing milk in excess of 200 gallons monthly from any manufacturing milk producer without a written contract that has been executed and complies with all the requirements of this article is an unlawful practice. The contract shall include all of the following:

(a) The amount of manufacturing milk which is to be purchased for any period.

(b) The price to be paid for all manufacturing milk received.

(c) The date and method of payment for the manufacturing milk, which shall be that payment made for approximately one-half of the manufacturing milk delivered in any calendar month not later than the first day of the following month and the remainder not later than the 15th day of that month.

(d) The charges for transportation, if hauled by the handler, which shall be the lower of either of the following:

(1) A rate not in excess of the rate charged for actual or reasonably similar services by highway carriers, as the term "highway carrier" is defined in Section 3511 of the Public Utilities Code.

(2) The actual amount paid by a handler for that transportation.

The contract may contain any other provisions that are not in conflict with this chapter. A signed copy of the contract shall be filed by the handler with the director within five days of the date of its execution.

This section does not apply to the purchase of milk which does not meet market milk standards in Chapter 2 (commencing with Section 35751) of Part 2 of Division 15, when the milk has been processed on a dairy farm that held a valid market milk permit during the 30-day period preceding the purchase.

SEC. 3. Section 61411.1 of the Food and Agricultural Code is repealed.

SEC. 4. Section 61411.1 is added to the Food and Agricultural Code, to read:

61411.1. The production of manufacturing milk in excess of amounts to be purchased under contracts executed pursuant to Section 61411 shall be voluntary on the part of the producer and shall not be a condition, oral or written, of the execution or renewal of any contract.

SEC. 5. Section 61416.1 is added to the Food and Agricultural Code, to read:

61416.1. The director, pursuant to the procedure in Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, may also refuse to grant or renew any license to a handler if the director is satisfied that the handler has failed to pay for any manufacturing milk delivered to him or her at the time and in the manner specified in the contract with the producer.

SEC. 6. No reimbursement is required by this act pursuant to

Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

CHAPTER 228

An act to amend Section 15031 of the Unemployment Insurance Code, relating to job training.

[Approved by Governor July 1, 1986 Filed with Secretary of State July 2, 1986.]

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

SECTION 1. Section 15031 of the Unemployment Insurance Code is amended to read:

15031. (a) The service delivery area's private industry council shall be appointed by the chief elected officials of the local government unit or units involved, and shall be of such size as the unit or units deem appropriate for the purposes of this division, except that service delivery areas with a total population in excess of 2,500,000 persons shall have a minimum of 29 members.

(1) The chairperson and at least one-half of the remaining members shall represent both large and small businesses in the private sector, who shall be owners of business concerns, chief executives or chief operating officers of business concerns who have or have had substantial policy and management responsibility, or their designees.

(2) The council shall include representatives of educational agencies in the service delivery area (representative of all educational agencies in the service delivery area), organized labor, rehabilitation agencies, two community-based organizations including those serving minority populations (with actual minority representatives as appropriate), economic development agencies, the public employment service, and child care resource and referral agencies, and a public assistance recipient who is currently enrolled in, or has recently completed training in, programs funded under this division. Educational representatives on the council shall be selected from among individuals nominated by local educational agencies, vocational education institutions, institutions of higher education, or general organizations of these agencies or institutions, and by private and proprietary schools or general organizations of these schools, within the service delivery area.

(3) The remaining members may include representatives of significant groups of eligible participants and providers of services within the service delivery area, such as private proprietary schools

and actual recipients of public assistance and other minority groups.

(4) The composition of the private industry council shall, to the extent feasible, represent the racial and ethnic characteristics of the service delivery area.

(b) The representatives on the council designated in paragraphs (1) and (2) of subdivision (a) shall be selected in accordance with the federal Job Training Partnership Act.

(c) Members shall be appointed for fixed and staggered terms of a duration deemed appropriate by the chief elected officials in the service delivery area, but in any case shall not be less than two years. Members may serve past the expiration date of their appointment until their successors are appointed.

(d) No member representing private industry may be represented by an alternate at meetings of the council.

(e) All vacancies occurring subsequent to the initial appointments to the private industry council shall be filled within 60 days of their occurrence in the same manner as the original appointments by the chief elected official or officials in the service delivery area.

CHAPTER 229

An act to amend Sections 6703, 6738, 6795, 8703, 8712, 8715, 8715.1, 8715.2, 8715.3, 8715.4, 8729, 8731, 8761, 8764, 8764.5, 8765, and 8803 of, and to add Sections 6728.6, 6735.5, 8720.6, 8741.1, 8770.6, 8803.1, and 8806 to, the Business and Professions Code, relating to business and professions.

[Approved by Governor July 1, 1986 Filed with Secretary of State July 2, 1986.]

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

SECTION 1. Section 6703 of the Business and Professions Code is amended to read:

6703. The phrase "responsible charge of work" means the independent control and direction, by the use of initiative, skill, and independent judgment, of the investigation or design of professional engineering work or the direct engineering control of such projects. The phrase does not refer to the concept of financial liability.

SEC. 2. Section 6728.6 is added to the Business and Professions Code, to read:

6728.6. Each member of a professional engineers review committee or other board-appointed committee and any board-appointed representative of the board shall be granted the same immunity as is granted to a public employee pursuant to Article 3 (commencing with Section 820) of Chapter 1 of Part 2 of Division 3.6 of Title 1 of the Government Code.

SEC. 3. Section 6735.5 is added to the Business and Professions

Code, to read:

6735.5. The use of the word "certify" or "certification" by a registered professional engineer in the practice of professional engineering or land surveying constitutes an expression of professional opinion regarding those facts or findings which are the subject of the certification, and does not constitute a warranty or guarantee, either expressed or implied.

SEC. 4. Section 6738 of the Business and Professions Code is amended to read:

6738. (a) This chapter does not prohibit one or more civil, electrical, or mechanical engineers from practicing or offering to practice within the scope of their registration, civil, electrical, or mechanical engineering as a partnership, firm, or corporation, provided all of the following requirements are met:

(1) A civil, electrical, or mechanical engineer is the partner, member, or directing officer in charge of the engineering practice of the partnership, firm, or corporation.

(2) All engineering plans, specifications, and reports are prepared by or under the direct supervision of a registered engineer in the appropriate branch of professional engineering, who shall sign or stamp with his or her seal those plans, specifications, and reports.

(3) The partnership, firm, or corporate name shall not contain the name of any person who is either not registered by the board in a branch of professional engineering, or as an architect, or of any person who is not registered as a geologist under the provisions of the Geologist Act (Chapter 12.5 (commencing with Section 7800)), provided that any holding out by the partnership, firm, or corporation of any individual or individuals to the public as a member, or members, of the partnership, firm, or corporation, other than by the use of the name or names of the individual or individuals in the partnership, firm, or corporate name, shall clearly and specifically designate the license status of the individual or individuals.

(b) Except as provided in Section 6737.2, nothing herein shall authorize the offering to practice or the practice of civil, electrical, or mechanical engineering by any persons, either as a member, officer, or employee of any partnership, firm, or corporation, who is not registered in the appropriate branch of professional engineering.

(c) This chapter does not prevent or prohibit an individual, firm, company, association, or corporation engaged in any line of business other than the practice of civil, electrical, or mechanical engineering from employing a registered civil, electrical, or mechanical engineer to perform the corresponding civil, electrical, or mechanical engineering services incidental to the conduct of their business.

(d) This section shall not apply to, or prevent the use of the name of, any partnership, firm, or corporation engaged in rendering civil engineering services which lawfully is in existence, or was lawfully in existence on or after September 30, 1947, provided that all civil engineering plans, specifications, and reports are prepared by or

under the direct supervision of a registered civil engineer, who may be a member of the firm, or a permanent employee of the partnership, firm, or corporation, and that all civil engineering plans, specifications, and reports shall be signed by or stamped with the seal of the registered civil engineer in charge of their preparation.

Nor shall this section apply to or prevent the use of the name of any partnership, firm, or corporation engaged in rendering electrical or mechanical engineering services which lawfully is in existence, or was lawfully in existence, on or after December 31, 1967, provided that all electrical or mechanical engineering plans, specifications, and reports are prepared correspondingly by or under the direct supervision of a registered electrical or mechanical engineer, who may be a member of the firm, or a permanent employee of the partnership, firm, or corporation, and that all electrical or mechanical engineering plans, specifications, and reports shall correspondingly be signed by or stamped with the seal of the registered electrical or mechanical engineer in charge of their preparation.

(e) This section shall not prevent the use of the name of a partnership, firm, or corporation engaged in rendering professional engineering services which lawfully is in existence or was lawfully in existence on or after September 30, 1947, by any lawful successor in interest or survivor if the board, upon written application informing it of the proposed method of carrying on the business and of the changes, if any, in personnel in charge of the engineering activities of the successor or survivor, determines, after investigation, that the actual operating organization of the partnership, firm, or corporation is substantially carried into and becomes an operating part of the successor or survivor and that the public safety, health, and welfare will not be impaired, provided that in the practice of professional engineering the successor in interest or survivor shall otherwise be subject to the provisions of paragraphs (1) and (2) of subdivision (a).

SEC. 5. Section 6795 of the Business and Professions Code is amended to read:

6795. Certificates of registration as a professional engineer, and certificates of authority, shall be valid for a period of four years from the assigned date of renewal. Quadrennial renewals shall be staggered on a monthly basis. To renew an unexpired certificate, the certificate holder shall, on or before the date of expiration indicated on the renewal receipt, apply for renewal on a form prescribed by the board, and pay the renewal fee prescribed by this chapter.

SEC. 6. Section 8703 of the Business and Professions Code is amended to read:

8703. The phrase "responsible charge of work" means the independent control and direction, by the use of initiative, skill, and independent judgment, of the observations, measurements, and descriptions involved in land surveying work. The phrase does not refer to the concept of financial liability.

SEC. 7. Section 8712 of the Business and Professions Code is

amended to read:

8712. The executive officer shall prepare, once every two years, a roster containing the names and addresses of all licensed land surveyors and containing all the rules and regulations adopted by the board for the administration of this chapter. The roster shall be a part of the roster of registered professional engineers issued by the board. Between July 1 and December 1 of each year, except the year in which the roster is prepared, the executive officer shall prepare a supplemental roster showing changes in and additions to the roster. The executive officer shall also prepare, at least once a year, a supplemental roster containing the names and addresses of all licensees who are delinquent in paying their fees, whose licenses have expired, or who are deceased.

Copies of the roster and the supplemental roster shall be filed with the Secretary of State.

Copies of the roster and the supplemental roster shall be available to the general public on application to the executive officer at the price per copy fixed by the board.

The rosters shall be public records.

SEC. 8. Section 8715 of the Business and Professions Code is amended to read:

8715. The board may establish licensed land surveyor technical advisory committees to advise and assist the board with respect to the following:

(1) The review and verification of applications for licensure.

(2) The evaluation and investigation of potential violations of this chapter.

(3) The amendment, repeal, adoption, or revision of board rules, regulations, policies, or procedures.

SEC. 9. Section 8715.1 of the Business and Professions Code is amended to read:

8715.1. Each member of each technical advisory committee shall be appointed by the board and shall serve at the pleasure of the board. Each committee shall be composed of no more than five members.

SEC. 10. Section 8715.2 of the Business and Professions Code is amended to read:

8715.2. Each member of each technical advisory committee shall be licensed under this chapter.

SEC. 11. Section 8715.3 of the Business and Professions Code is amended to read:

8715.3. All members of each technical advisory committee shall serve without compensation but shall receive per diem and expenses as provided in Section 103.

SEC. 12. Section 8715.4 of the Business and Professions Code is amended to read:

8715.4. Each member of each technical advisory committee shall be granted the same immunity as is granted to a public employee pursuant to Article 3 (commencing with Section 820) of Chapter 1

of Part 2 of Division 3.6 of Title 1 of the Government Code.

SEC. 13. Section 8720.6 is added to the Business and Professions Code, to read:

8720.6. Each member of a land surveyors review committee or other board-appointed committee and any board-appointed representative of the board shall be granted the same immunity as is granted to a public employee pursuant to Article 3 (commencing with Section 820) of Chapter 1 of Part 2 of Division 3.6 of Title 1 of the Government Code.

SEC. 14. Section 8729 of the Business and Professions Code is amended to read:

8729. This chapter does not prohibit one or more licensed land surveyors or registered civil engineers from practicing, or offering to practice, within the scope of their registration, land surveying as a partnership, firm, or corporation, provided that a land surveyor licensed pursuant to this chapter or a civil engineer registered pursuant to Chapter 7 (commencing with Section 6700) is the partner, member, or directing officer in charge of the land surveying practice of the partnership, firm, or corporation, and provided that all land surveying work and documents are done by or under the direct supervision of a licensed land surveyor or registered civil engineer. The firm or corporate name under which those individuals offer and do practice land surveying may be entirely fictitious or it may contain only the name or names of licensed land surveyors and registered engineers, living or dead, who are, or were when living, members of the firm or directors of the corporation. If the firm or corporate name contains the name of a living member of the firm or corporation then it shall also contain the name of a member who is entitled to practice land surveying under the provisions of this chapter.

This chapter does not prevent or prohibit an individual, firm, or corporation engaged in any line of business other than the practice of land surveying from employing a licensed land surveyor or registered civil engineer to perform land surveying services incidental to the business of that individual, firm, or corporation.

This section shall not prevent the use of the name of any partnership, firm, company, association, or corporation in existence on June 1, 1941, if all of the members or officers and directors of that partnership, firm, company, association, or corporation were on that date individually licensed as land surveyors pursuant to this chapter or registered civil engineers pursuant to Chapter 7.

SEC. 15. Section 8731 of the Business and Professions Code is amended to read:

8731. A registered civil engineer and a civil engineer exempt from registration under Chapter 7 (commencing with Section 6700) of Division 3 are exempt from licensing under this chapter and may engage in the practice of land surveying with the same rights and privileges, and the same duties and responsibilities of a licensed land surveyor, provided that for civil engineers who become registered

after January 1, 1982, they shall pass the second division examination provided for in Section 8741 and obtain a land surveyor's license, before practicing land surveying as defined in this chapter.

SEC. 16. Section 8741.1 is added to the Business and Professions Code, to read:

8741.1. The second division of the examination for licensure as a land surveyor shall include questions to test the applicant's knowledge of state laws and the board's rules and regulations. The board shall prepare and distribute to applicants for the second division of the examination, a plain language pamphlet describing the important laws and the board's rules and regulations regulating the practice of land surveying in the state. That portion of the second division of the examination for licensure as a land surveyor which tests the applicant's knowledge of state laws and the board's rules and regulations shall be based upon the information contained in the pamphlet prepared by the board. The board shall administer the test on state laws and board rules as a separate part of the second division examination for licensure as a land surveyor.

SEC. 17. Section 8761 of the Business and Professions Code is amended to read:

8761. Any licensed land surveyor or registered civil engineer may practice land surveying and prepare maps, plats, reports, descriptions, or other documentary evidence in connection therewith. All maps, plats, reports, descriptions, or other documents issued by the licensed land surveyor or registered civil engineer shall be signed by the surveyor or engineer to indicate the surveyor's or engineer's responsibility for them. In addition to the signature, the map, plat, report, description, or other document shall bear the seal or stamp of the licensee or registrant and the expiration date of the license or registration.

Every map, plat, report, description, or other document issued by a licensed land surveyor or registered civil engineer shall comply with the provisions set forth in Section 8764, whenever the map, plat, report, description, or other document is filed as a public record.

It is unlawful for any person to sign, stamp, or seal any map, plat, report, description, or other document unless the person is authorized to practice land surveying.

SEC. 18. Section 8764 of the Business and Professions Code is amended to read:

8764. The record of survey shall show the applicable provisions of the following consistent with the purpose of the survey:

(a) All monuments found, set, reset, replaced, or removed, describing their kind, size, and location, and giving other data relating thereto.

(b) Bearing or witness monuments, basis of bearings, bearing and length of lines, scale of map, and north arrow.

(c) Name and legal designation of the property in which the survey is located, and the date or time period of the survey.

(d) The relationship to those portions of adjacent tracts, streets,

or senior conveyances which have common lines with the survey.

(e) Memorandum of oaths.

(f) Statements required by Section 8764.5.

(g) Any other data necessary for the intelligent interpretation of the various items and locations of the points, lines, and areas shown, or convenient for the identification of the survey or surveyor, as may be determined by the civil engineer or land surveyor filing the record of survey.

The record of survey shall also show, either graphically or by note, the reason or reasons, if any, why the mandatory filing provisions of subdivisions (a) to (e), inclusive, of Section 8762 apply.

The record of survey need not consist of a survey of an entire property.

SEC. 19. Section 8764.5 of the Business and Professions Code is amended to read:

8764.5. Statements shall appear on the map as follows:

SURVEYOR'S STATEMENT

This map correctly represents a survey made by me or under my direction in conformance with the requirements of the Land Surveyors' Act at the request of _____.
Name of Person Authorizing Survey

in _____, 19__.

(Signed and sealed) _____

L.S. (or R.C.E.) No. _____

COUNTY SURVEYOR'S STATEMENT

This map has been examined in accordance with Section 8766 of the Land Surveyors' Act this _____ day of _____, 19__.

(Signed and sealed) _____
County Surveyor

L.S. (or R.C.E.) No. _____

RECORDER'S STATEMENT

Filed this _____ day of _____, 19__, at _____.m. in Book _____ of _____ at page _____, at the request of _____.

(Signed) _____
County Recorder

No other statements may appear on the face of the map except those required or authorized by this article.

SEC. 20. Section 8765 of the Business and Professions Code is amended to read:

8765. A record of survey is not required of any survey:

(a) When it has been made by a public officer in his or her official

capacity and a reproducible copy thereof, showing all data required by Section 8764, except the recorder's statement, has been filed with the county surveyor of the county in which the land is located. Any map so filed shall be indexed and kept available for public inspection.

(b) Made by the United States Bureau of Land Management.

(c) When a map is in preparation for recording or shall have been recorded under the provisions of the Subdivision Map Act.

(d) When the survey is a retracement of lines shown on a subdivision map, official map, or a record of survey, where no material discrepancies with those records are found and sufficient monumentation is found to establish the precise location of property corners thereon, provided that a corner record is filed for any property corners which are set or reset or found to be of a different character than indicated by prior records. For purposes of this subdivision, a "material discrepancy" is limited to a material discrepancy in the position of points or lines, or in dimensions.

SEC. 21. Section 8770.6 is added to the Business and Professions Code, to read:

8770.6. The use of the word "certify" or "certification" by a licensed land surveyor or registered civil engineer in the practice of professional engineering or land surveying or the preparation of maps, plats, reports, descriptions, or other surveying documents only constitutes an expression of professional opinion regarding those facts or findings which are the subject of the certification, and does not constitute a warranty or guarantee, either expressed or implied.

SEC. 22. Section 8803 of the Business and Professions Code is amended to read:

8803. A license which is not renewed within five years after its expiration may not be renewed, restored, reissued, or reinstated thereafter, unless all of the following apply:

(a) The licensee has not committed any acts or crimes constituting grounds for denial of licensure under Section 480. If the licensee has been practicing with an expired license or delinquent license, the board may, in its discretion, deny the application for renewal, restoration, reinstatement, or reissuance, and may file a statement of issues, as described in Section 11504 of the Government Code, based upon the registrant's or licensee's practice with an expired or delinquent license. The board may also, in its discretion, renew, restore, reinstate, or reissue a license if the applicant has been practicing with an expired license or delinquent license, and the board may attach conditions to the renewal, restoration, reinstatement, or reissuance of the expired license or delinquent license.

(b) The licensee pays all of the fees which would be required if applying for the license for the first time.

(c) The licensee takes and passes the examination, if any, which would be required if applying for the license for the first time, or otherwise establishes to the satisfaction of the board that, with due regard for the public interest, the licensee is qualified to engage in

the practice of land surveying.

The board may, by appropriate regulation, authorize the waiver or refund of all or any part of the application fee in those cases in which a license is issued without an examination under this section.

SEC. 23. Section 8803.1 is added to the Business and Professions Code, to read:

8803.1. Once an expired or delinquent license is renewed, restored, reinstated, or reissued pursuant to Section 8803, all of the following apply:

(a) The board shall continue to have full jurisdiction and authority over the licensee as if the license had not expired or become delinquent.

(b) The work performed by the licensee during a period of expiration or delinquency shall be deemed lawful and validly performed as to persons or entities other than the licensee.

(c) The renewal, restoration, reinstatement, or reissuance of a license shall not affect liability issues regarding work performed during a period of expiration or delinquency, nor does the fact of performance during a period of expiration or delinquency affect liability issues.

SEC. 24. Section 8806 is added to the Business and Professions Code, to read:

8806. Notwithstanding any other provision of law, the board may adopt rules to provide an opportunity from January 1, 1987, to December 31, 1988, for current delinquent licensees to have their licenses renewed, restored, reinstated, or reissued. The board may impose a special fee, including any appropriate penalties, for the license renewal, restoration, reinstatement, or reissuance. The board may require the taking of an examination if the applicant's license is more than five years' delinquent.

SEC. 25. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

CHAPTER 230

An act to amend Sections 22205.1 and 22205.2 of the Education Code, and to amend Sections 20206.1 and 20206.2 of the Government Code, relating to public employees.

[Approved by Governor July 1, 1986 Filed with Secretary of State July 2, 1986]

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

SECTION 1. Section 22205.1 of the Education Code is amended to read:

22205.1. The Legislature finds and declares that changing economic conditions and increasing complexity in the investment market make it necessary and desirable that the system obtain the best possible investment expertise.

SEC. 2. Section 22205.2 of the Education Code is amended to read:

22205.2. Upon a finding by the board that necessary investment expertise is not available within existing civil service classifications, and with the approval of the State Personnel Board, the board may contract with qualified investment personnel having demonstrated expertise in the management of large and diverse investment portfolios to render service in connection with the investment program of the board.

The board shall report to the Governor, the Legislature, the Joint Legislative Budget Committee, and the Joint Public Pension Fund Investments Committee on the nature, duration, and cost of investment contract services used. The report shall first be submitted in April 1987, and annually in April of every year thereafter.

SEC. 3. Section 20206.1 of the Government Code is amended to read:

20206.1. The Legislature finds and declares that changing economic conditions and increasing complexity in the investment market make it necessary and desirable that the system obtain the best possible investment expertise.

SEC. 4. Section 20206.2 of the Government Code is amended to read:

20206.2. Upon a finding by the board that necessary investment expertise is not available within existing civil service classifications, and with the approval of the State Personnel Board, the board may contract with qualified investment personnel having demonstrated expertise in the management of large and diverse investment portfolios to render service in connection with the investment program of the board.

The board shall report to the Governor, the Legislature, the Joint Legislative Budget Committee, and the Joint Public Pension Fund Investments Committee on the nature, duration, and cost of investment contract services used. The report shall first be submitted in April 1987, and annually in April of every year thereafter.

CHAPTER 231

An act to add Article 13 (commencing with Section 4450) to Chapter 9 of Division 2 of the Business and Professions Code, relating to pharmacy.

[Approved by Governor July 1, 1986. Filed with Secretary of State July 2, 1986]

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

SECTION 1. Article 13 (commencing with Section 4450) is added to Chapter 9 of Division 2 of the Business and Professions Code, to read:

Article 13. Unfair Trade Practices

4450. (a) The resale, by any person, of drugs acquired at preferentially low prices permitted under federal law only because of the provisions of the Nonprofit Institutions Act (15 U.S.C. Sec. 13c) is prohibited except in any of the following instances:

(1) When for the person's own use, as defined by the federal courts in Abbott Labs. v. Portland Retail Druggists (425 U.S. 1, 47 L. Ed. 2d 537) and DeModena v. Kaiser Foundation Health Plan, Inc. (743 F. 2d 1388).

(2) When sold to a purchaser also eligible for those prices under the Nonprofit Institutions Act, which controls, is controlled by, or is under common control with, the seller, and which purchases the products for its own use, as defined in paragraph (1).

(3) When sold to a walk-in customer pursuant to a prescription, provided that those sales represent less than 1 percent of the drugs purchased by the seller for its own use in this state.

(b) Nothing in this article prohibits the resale of drugs to any person in the occasional emergency situation where no other sources are readily available in the community to meet the emergency need.

4470. (a) A violation of this article is an act of unfair competition within the meaning of Chapter 5 (commencing with Section 17200) of Part 2 of Division 7, and the provisions of this article are enforceable as provided in that chapter.

(b) In addition thereto, any person or trade association may bring an action to enjoin and restrain any violation of this article and to recover actual damages, if any.

(c) In an action for injunctive relief under this article, it is not necessary to allege or prove actual damages or the threat thereof, or actual injury or the threat thereof, to the plantiff. In addition to injunctive relief, the plaintiff in any such action shall recover three times the amount of his or her actual damages, if any, as well as three times the actual damages, if any, sustained by any person who has assigned to the plaintiff a claim for damages resulting from a

violation of this section. In any action under this article in which judgment is entered against the defendant, the plaintiff shall be awarded reasonable attorneys' fees together with the costs of suit.

(d) In issuing an injunction against a violation under this article, the court may, in its discretion, include any other restraint it deems expedient in order to deter the defendant from and ensure against future violations of this article.

(e) Proof of malice or intent to harm competition is immaterial to sustain a cause of action under this article.

4480. (a) Notwithstanding, and in addition to, any other penalties and causes of action under this article, a violation of this article constitutes unprofessional conduct and is prohibited.

(b) The board may enforce the provisions of this article by all lawful means, including, but not limited to, disciplinary proceedings as set forth in Article 9 (commencing with Section 4350).

(c) The board may audit persons for compliance with the limits established in paragraph (3) of subdivision (a) of Section 4450 except that in the case of a facility or pharmacy that predominately serves members of a prepaid group practice health care service plan, those audits may be undertaken solely by the Department of Corporations pursuant to its authority to audit those plans.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

CHAPTER 232

An act to amend Sections 4733 and 6489 of the Health and Safety Code, relating to districts.

[Approved by Governor July 1, 1986. Filed with Secretary of State July 2, 1986.]

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

SECTION 1. Section 4733 of the Health and Safety Code is amended to read:

4733. The district board may fix the amount of compensation per meeting to be paid each member of the board for services for each meeting attended by the member. The compensation shall not exceed one hundred dollars ($100) for each meeting of the district board attended by the member or for each day's service rendered as a member by request of the board, not exceeding a total of six days in any calendar month, together with any expenses incident thereto.

SEC. 2. Section 6489 of the Health and Safety Code is amended

to read:

6489. (a) Each of the members of the board shall receive compensation in an amount not to exceed one hundred dollars ($100) per day for each day's attendance at meetings of the board or for each day's service rendered as a director by request of the board, not exceeding a total of six days in any calendar month, together with any expenses incident thereto.

(b) The secretary of the sanitary board shall receive compensation to be set by the sanitary district board, which compensation shall be in lieu of any other compensation to which he or she may be entitled by reason of attendance at the meeting or meetings of the sanitary board.

CHAPTER 233

An act to amend Sections 56243, 56343, 56347, 56380, and 56728 of the Education Code, relating to special education, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 1, 1986 Filed with Secretary of State July 2, 1986]

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

SECTION 1. Section 56243 of the Education Code is amended to read:

56243. It is the intent of the Legislature, pursuant to this article, that each district, special education local plan area, and county office provide regular classroom teachers serving individuals with exceptional needs appropriate training each year relating to the needs of those individuals.

SEC. 2. Section 56343 of the Education Code is amended to read:

56343. An individualized education program team shall meet whenever any of the following occurs:

(a) A pupil has received an initial formal assessment. The team may meet when a pupil receives any subsequent formal assessment.

(b) The pupil demonstrates a lack of anticipated progress.

(c) The parent or teacher requests a meeting to develop, review, or revise the individualized education program; provided that the request by a parent shall not be granted more than twice in any one semester.

(d) At least annually, to review the pupil's progress, the individualized education program, and the appropriateness of placement, and to make any necessary revisions. The individualized education program team conducting the annual review shall consist of those persons specified in subdivision (b) of Section 56341. Other individuals may participate in the annual review if they possess expertise or knowledge essential for the review.

SEC. 3. Section 56347 of the Education Code is amended to read:

56347. Each district, special education local plan area, or county office shall, prior to the placement of the individual with exceptional needs, ensure that the regular teacher or teachers, the special education teacher or teachers, and other persons who provide special education, related services, or both to the individual with exceptional needs shall be knowledgeable of the content of the individualized education program. A copy of each individualized education program shall be maintained at each school site where the pupil is enrolled. Service providers from other agencies who provide instruction or a related service to the individual off the school site shall be provided a copy of the individualized education program. All individualized education programs shall be maintained in accordance with state and federal pupil record confidentiality laws.

SEC. 4. Section 56380 of the Education Code is amended to read:

56380. (a) The district, special education services region, or county office shall maintain procedures for conducting, on at least an annual basis, reviews of all individualized education programs. The procedures shall provide for the review of the pupil's progress and the appropriateness of placement, and the making of any necessary revisions.

(b) The district, special education services region, or county office shall notify, in writing, parents of their right to request a review by the individualized education program team. The notice may be part of the individualized education program.

(c) Each individualized education program review shall be conducted in accordance with the notice and scheduling requirements for the initial assessment.

SEC. 5. Section 56728 of the Education Code is amended to read:

56728. Notwithstanding subdivision (d) of Section 56760, state aid for instructional personnel service units operated during the regular school year and during extended year programs shall not exceed the number of units actually in operation for the then current fiscal year. Districts and county offices shall be entitled to the full unit rates computed pursuant to subdivisions (b), (c), (e), (g), and (h) of Section 56722 in regular year and extended year programs only if the appropriate number of instructional aides are actually used.

For the purposes of computing funding for aides other than those in classes for the severely handicapped, a full-time equivalent aide shall be equivalent to .925 times a full-time equivalent aide entitlement for those aides in the 1980–81 fiscal year.

SEC. 6. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the Legislature finds and declares that there are savings as well as costs in this act which, in the aggregate, do not result in additional net costs.

SEC. 7. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into

immediate effect. The facts constituting the necessity are:

In order that essential revisions in the structure of special education funding may be made for application to the Budget Act for the 1986–87 fiscal year, it is necessary that this act take effect immediately.

CHAPTER 234

An act to amend Section 21252.02 of, and to add Sections 20017.975 and 20803.35 to, the Government Code, relating to state employees, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 2, 1986 Filed with Secretary of State July 2, 1986]

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

SECTION 1. Section 20017.975 is added to the Government Code, to read:

20017.975. "State peace officer/firefighter member" also includes, effective July 1, 1986, the employees of a California State University police department, established pursuant to Section 89560 of the Education Code, who have been designated as peace officers as defined in Section 830.2 of the Penal Code and who are (a) members represented by Public Safety Unit No. 8, or (b) members excluded from the definition of employee in subdivision (f) of Section 3562 or are supervisory employees as defined in Section 3580.3, provided that these employees have responsibility for the direct supervision of the state peace officer/firefighter members represented in Public Safety Unit No. 8. The board of trustees shall notify the system when employees meet these conditions and whenever a state peace officer/firefighter member ceases to meet the conditions.

Any person so designated may elect, within 90 days of notification by the board, to remain subject to the service retirement benefit and the normal rate of contribution applicable prior to July 1, 1986, by filing an irrevocable notice of election with the board. A member who so elects shall be subject to the reduced benefit factors specified in Section 21251.13 only for service also included in the federal system.

SEC. 2. Section 20803.35 is added to the Government Code, to read:

20803.35. "State peace officer/firefighter service," with respect to a member who becomes a state peace officer/firefighter member pursuant to Section 20017.975, also includes service prior to July 1, 1986, as an employee of the California State University.

SEC. 3. Section 21252.02 of the Government Code is amended to

read:

21252.02. The combined current and prior service pensions for state peace officer/firefighter members subject to this section with respect to state peace officer/firefighter service which is subject to the provisions of this section is a pension derived from the contributions of the employer sufficient when added to the service retirement annuity which is derived from the accumulated normal contributions of the state peace officer/firefighter member at the date of his or her retirement to equal the fraction of one-fiftieth of his or her final compensation set forth opposite his or her age at retirement taken to the preceding completed quarter-year, in the following table, multiplied by the number of years of state peace officer/firefighter service subject to this section with which he or she is credited at retirement.

Age at Retirement	Fraction
50	1.0000
50¼	1.0125
50½	1.0250
50¾	1.0375
51	1.0500
51¼	1.0625
51½	1.0750
51¾	1.0875
52	1.1000
52¼	1.1125
52½	1.1250
52¾	1.1375
53	1.1500
53¼	1.1625
53½	1.1750
53¾	1.1875
54	1.2000
54¼	1.2125
54½	1.2250
54¾	1.2375
55 and over	1.2500

In no event shall the current service pension and the combined current and prior service pensions under this section for all service to all employers exceed an amount which, when added to the service retirement annuity related to such service, equals 75 percent of final compensation. If the pension relates to service to more than one employer, or this section and Section 21252.6, and would otherwise exceed such maximum, the pension payable with respect to each section or employer shall be reduced in the same proportion as the allowance bears to the total allowance computed as though there were no limit, so that the total of such pensions shall equal the

maximum.

The Legislature reserves, with respect to any member subject to this section, the right to provide for such adjustment of industrial disability retirement allowances because of earnings of a retired person and modification of the conditions and qualifications required for retirement for disability as it may find appropriate because of the earlier age of service retirement made possible by the benefits under this section.

This section may be applied to related supervisory classes or confidential positions for the respective bargaining units specified in this section.

This section shall be operative with respect to state peace officer/firefighter members in Corrections Bargaining Unit No. 6, Protective Services and Public Safety Bargaining Unit No. 7, or Firefighters Bargaining Unit No. 8, in accordance with a memorandum of understanding is reached between the state and the exclusive bargaining agent in the respective unit pursuant to the State Employer-Employee Relations Act (Chapter 10.3 (commencing with Section 3512) of Division 4 of Title 1). This section also shall be operative with respect to the state peace officer/firefighter members employed by a California State University police department who are in Public Safety Unit No. 8 in accordance with a memorandum of understanding reached between the Board of Trustees of the California State University and the recognized employee organization pursuant to the Higher Education Employer-Employee Relations Act (Chapter 12 (commencing with Section 3560) of Division 4 of Title 1).

Nothing in this section or in any other provision of law affected by the bill amending this section in 1984 of the 1983–84 Regular Session of the Legislature or the bill amending this section in 1986 of the 1985–86 Regular Session shall be construed as authorizing any future negotiation with respect to whether or not any bargaining unit specified in this section whose memorandum of understanding was previously approved by the Legislature pursuant to law and this section, shall continue to remain within the state peace officer/firefighter membership category.

The operative date of this section with respect to members in each of the bargaining units specified in this section shall be as provided for in the memorandum of understanding.

This section shall not apply to a person whose effective date of retirement is prior to the operative date of this section with respect to the bargaining unit of the person.

This section shall be known as, and may be cited as the State Peace Officers' and Fire Fighters' Retirement Act.

The Legislature reserves the right to subsequently modify or amend this part in order to completely effectuate the intent and purposes of this section and the right to not provide any new comparable advantages if disadvantages to employees result from any such modification or amendment.

SEC. 4. The sum of ten thousand dollars ($10,000) is hereby ap-

propriated from the Public Employees' Retirement Fund to the Board of Administration of the Public Employees' Retirement System, without regard to fiscal years, for implementing the state peace officer/firefighter program for the employees of the California State University police departments.

SEC. 5. This act shall become operative on July 1, 1986, or the date on which it takes effect, whichever is later.

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

In order that the provisions of the memorandum of understanding between the Trustees of the California State University and the Statewide University Police Association, Public Safety Unit No. 8, may be effective for the 1986–87 fiscal year, it is necessary for this act to take effect immediately.

CHAPTER 235

An act to amend Section 7000 of, and to add Section 22401.5 to, the Education Code, relating to public schools, and making an appropriation therefor.

[Approved by Governor July 2, 1986 Filed with Secretary of State July 2, 1986]

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

SECTION 1. Section 7000 of the Education Code is amended to read:

7000. (a) Notwithstanding Article 1 (commencing with Section 53200) of Chapter 2 of Part 1 of Division 2 of Title 5 of the Government Code, a county superintendent of schools, a school district, or a community college district, which provides health and welfare benefits or dental care benefits for the benefit of its certificated employees, shall permit enrollment in, respectively, the health and welfare benefit plan or dental care benefit plan currently provided for its current certificated employees by any former certificated employee thereof who retired therefrom under any public retirement system and his or her spouse and by any surviving spouse of a former certificated employee thereof who either retired therefrom under any public retirement system or was, at the time of death, both employed thereby in a position requiring contributions to the State Teachers' Retirement System and a member of the State Teachers' Retirement System.

(b) A county superintendent of schools or district may develop an experience claims rating for the persons specified in subdivision (a) and may, if appropriate, require those persons to pay different rates

as a class.

SEC. 2. Section 22401.5 is added to the Education Code, to read:

22401.5. An application for a refund of the member's accumulated contributions, an application for an election, change, or cancellation of a preretirement option, an application for a service retirement allowance payable by the system, and an application for modification of a service retirement allowance payable by the system, shall contain the signature of the spouse of the member, unless the member declares, in writing under penalty of perjury, that either: (a) the member does not know, and has taken all reasonable steps to determine, the whereabouts of the spouse; (b) the spouse has been advised of the application and has refused to sign the written acknowledgment; (c) the spouse is incapable of executing the acknowledgment because of an incapacitating mental or physical condition; or (d) the member and the spouse have executed a marriage settlement agreement pursuant to Chapter 6 (commencing with Section 5133) of Title 8 of Part 5 of Division 4 of the Civil Code which makes the community property law inapplicable to the marriage.

The sole purpose of this section is to provide for spousal notification of the selection of specified benefits made by a member.

SEC. 3. Reimbursement to local agencies and school districts for costs mandated by the state pursuant to this act shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code and, if the statewide cost of the claim for reimbursement does not exceed five hundred thousand dollars ($500,000), shall be made from the State Mandates Claims Fund.

SEC. 4. There is hereby appropriated from the Teachers' Retirement Fund the sum of nineteen thousand five hundred dollars ($19,500) to the State Teachers' Retirement System for expenditure in fiscal year 1986–87 for the purpose of Section 22401.5 of the Education Code enacted by Section 2 of this act.

CHAPTER 236

An act relating to insurance, and making an appropriation therefor.

[Approved by Governor July 2, 1986. Filed with Secretary of State July 2, 1986]

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

SECTION 1. (a) The Department of Insurance shall conduct a study of the feasibility of public or private insurance policies offering coverage for the following:

(1) Services provided by a home health agency regardless of prior

confinement in an acute care hospital or skilled nursing facility.

(2) In-home supportive services, as defined in Section 12300 of the Welfare and Institutions Code regardless of prior confinement in an acute care hospital or skilled nursing facility.

The department shall consult with other state agencies to consider the potential savings of Medi-Cal expenditures due to the availability of the defined in-home insurance policies.

(b) The study shall include, but not be limited to, the following issues:

(1) Purchase disincentives, including the following:

(A) The lack of perceived risk from chronic illness, such as Alzheimer's disease, necessitating long-term care needs.

(B) Misunderstanding of the scope and availability of benefits from existing programs such as Medi-Cal and Medicare.

(C) The availability of Medi-Cal benefits.

(D) Any other disincentives to the purchase of private or public insurance covering in-home health and supportive services.

(2) Market factors limiting the supply of available insurance policies for in-home health and supportive services including the following:

(A) Adverse selection.

(B) Induced demand or excessive utilization of services.

(C) Inappropriate regulations and guidelines governing the types and conditions of policies.

(D) Cost of coverage versus the income of potential purchasers.

(3) Policy design, including the following:

(A) The definition of care services.

(B) Premium pricing.

(C) Per diem indemnity versus cost reimbursement benefits.

(c) The department shall report to the appropriate policy and fiscal committees of the Legislature on or before June 30, 1987, regarding their findings.

SEC. 2. There is hereby appropriated the sum of one hundred thousand dollars ($100,000) from the Insurance Fund to the Department of Insurance for the purpose of this act.

CHAPTER 237

An act to add Section 21067 to the Food and Agricultural Code, relating to cattle inspection, and making an appropriation therefor.

[Approved by Governor July 2, 1986. Filed with Secretary of State July 2, 1986]

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

SECTION 1. Section 21067 is added to the Food and Agricultural Code, to read:

21067. (a) The chief may issue an annual permit to allow cattle to be transported out of this state without the brand inspection required pursuant to this article under all of the following conditions:

(1) The cattle are transported for pasture purposes.

(2) The cattle are transported a distance of not more than 50 miles from the point of origin to the point of destination.

(3) There is no change of ownership of the cattle.

(b) The department may charge a fee to cover its costs in issuing and renewing the annual permit. The fee may not exceed one hundred dollars ($100).

(c) The chief may, at any time, revoke a permit and require a brand inspection if he or she determines that this action is necessary to enforce this division.

CHAPTER 238

An act to amend Section 8249 of the Fish and Game Code, relating to commercial fishing, and making an appropriation therefor.

[Approved by Governor July 2, 1986 Filed with Secretary of State July 2, 1986]

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

SECTION 1. Section 8249 of the Fish and Game Code is amended to read:

8249. This article shall remain in effect only until January 1, 1989, and as of that date is repealed unless a later enacted statute, which is enacted before January 1, 1989, deletes or extends that date.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

CHAPTER 239

An act to amend Sections 50406 and 50532 of, and to add Section 50517.7 to, the Health and Safety Code, relating to housing, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 2, 1986 Filed with Secretary of State July 2, 1986]

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

SECTION 1. Section 50406 of the Health and Safety Code is amended to read:

50406. For the purposes of this division, the department shall have all of the following powers:

(a) To sue and be sued in its own name.

(b) To have an official seal and to alter it at pleasure.

(c) To make and execute contracts and all other instruments necessary or convenient for the exercise of its powers and functions.

(d) To employ architects, planners, engineers, attorneys, accountants, experts in housing construction, management and finance, and any other advisers, consultants, and agents necessary for the performance of its functions and to fix their compensation in accordance with applicable law.

(e) To provide advice, technical information, and consultative and technical services as provided in this division.

(f) To establish, revise from time to time, and charge and collect fees and charges for services provided pursuant to this division.

(g) To accept gifts or grants or loans of funds or property or financial or other aid from any federal or state agency or private source and to comply with conditions thereof not contrary to law.

(h) To enter into agreements or other transactions with any governmental agency, including an agreement for administration of a housing or community development program of the governmental agency by the department, or for administration by another governmental agency of a program of the department, either in whole or in part.

(i) To enter into any agreements and perform any acts necessary to obtain subsidies for use in connection with the exercise of powers and functions of the department, and to transfer those subsidies to others as required by the agreement.

(j) To appear in its own behalf before boards, commissions, departments, or other agencies of local, state, or federal government.

(k) To establish any regional offices necessary to effectuate the department's purposes and functions.

(*l*) To acquire real or personal property, or any interest therein, on either a temporary or long-term basis, in its own name by gift, purchase, transfer, foreclosure, lease, option, or otherwise, including easements or other incorporeal rights in property.

(m) To provide bilingual staff in connection with services of the department and make available departmental publications in a language, other than English, where necessary to effectively serve groups for which the services or publications are made available.

(n) To do any and all things necessary to carry out its purposes and exercise the powers expressly granted by this division.

(o) To sell real property acquired by the department in a foreclosure, by deed in lieu of foreclosure, or sale under a power of sale on a deed of trust, lien, or by exercise of any other security interest on real property securing repayment of a loan or performance under a grant or loan made by the department. Real property so acquired shall be sold for market value and sale proceeds shall be placed in the fund from which the secured loan or grant was made. The department may establish terms, conditions, and restrictions for the sale, including a requirement that the real property be used for housing for persons and families of low or moderate income, and those terms, conditions, and restrictions shall be set forth in the deed or other instrument of conveyance. The sales shall be conducted by the Department of General Services, except that the department may conduct the sale, utilize the assistance of any local public agency authorized to conduct sales of real property, or contract with a licensed real estate broker to conduct the sale, if, with the approval of the Department of General Services, the department determines that one of those options will result in a more prompt or cost-efficient sale and if the real property includes 20 or fewer units or consists of less than 20 acres. Sales made pursuant to this section are not subject to the requirements of Sections 11011 and 11011.1 of the Government Code. Failure to comply with this subdivision shall not invalidate any right, title, or interest acquired by a bona fide purchaser or encumbrancer for value.

SEC. 2. Section 50517.7 is added to the Health and Safety Code, to read:

50517.7. In counties in which a disaster has been declared by the Governor pursuant to Chapter 7 (commencing with Section 8550) of Division 1 of Title 2 of the Government Code and for a period of 12 months after the declaration, the department may provide grants from the fund established by subdivision (b) of Section 50517.5, subject to the following terms and conditions, which are applicable only to this section:

(a) Grants may be made to local public entities, nonprofit corporations, and housing owners comprised of either homeowners who are agricultural employees or owners of rental property used primarily by agricultural households.

(b) The department may enter into master agreements with nonprofit corporations or local public entities or it may enter into contracts directly with housing owners to carry out the activities authorized by this section.

(c) The department may make grants directly to housing owners or through master agreements for the cost of preparation of applications for funds, and supervision of expenditures from the fund, including, but not limited to estimates, work writeups, bidding supervision, and inspections. Funds granted pursuant to this subdivision shall not be secured by, and subject to, the liens required by Section 50517.5.

(d) The department, either directly or through master

agreements, may provide grants to housing owners which shall be used for housing construction or rehabilitation, and related costs, other than those costs accruing pursuant to subdivision (c). Only those funds from the fund which are actually utilized pursuant to this subdivision shall be secured by, and subject to, the liens required by Section 50517.5.

SEC. 3. Section 50532 of the Health and Safety Code is amended to read:

50532. The fund shall be administered by the director and any persons within the department designated by the director.

The fund shall be administered in accordance with all of the following requirements:

(a) The department shall not commit more than 30 percent of the total moneys in the fund for land purchase loans.

(b) The department shall not commit more than 20 percent of the total moneys appropriated to the fund to any single borrower at any point in time.

(c) The department shall require adequate security for all loans made from the fund. For the purposes of this subdivision, "adequate security" includes, but need not be limited to, a security interest in any property purchased with fund moneys, a promissory note, or an assignment of a land option, except that in the case of Indian trust land a mortgage on a leasehold interest in the property shall be acceptable.

(d) No predevelopment loan may be made pursuant to this chapter unless the department may reasonably anticipate that a commitment can be obtained by an eligible sponsor for construction financing or long-term financing that will permit occupancy primarily by persons of low income, as specified in subdivision (b) of Section 50531. The department may make land purchase loans to eligible sponsors to enable those sponsors to exercise options or to purchase land on which no option can be obtained even though the sponsor is not able at the time the loan is made to proceed with the development of assisted housing on the purchased site. If the eligible sponsor is unable to proceed with the development of assisted housing on the purchased site within three years of its acquisition, the sponsor, upon demand of the department, shall convey the site to the department. The department shall dispose of the site in accordance with subdivision (o) of Section 50406, and the net proceeds shall be paid into the fund.

(e) The department shall, from time to time, direct the Treasurer to invest moneys of the fund which are not required for its current needs in eligible securities which the department designates from among those specified in Section 16430 of the Government Code. The department may direct the Treasurer to deposit moneys from the fund in interest-bearing accounts in state or national banks or other financial institutions having principal offices in this state. The department may alternatively require the transfer of moneys in the fund to the Surplus Money Investment Fund for investment

pursuant to Article 4 (commencing with Section 16470) of Chapter 3 of Part 2 of Division 4 of Title 2 of the Government Code. All interest, dividends, and pecuniary gains from those investments or deposits shall accrue to the fund.

(f) In complying with Section 50408, the department shall also report annually to the Legislature and the Governor on the administration of the fund. The report shall include, but need not be limited to, all of the following information:

(1) The number of units assisted.

(2) The average income of households assisted and the distribution of annual incomes among assisted households.

(3) The rents in assisted units.

(4) The number and amount of loans made to each eligible sponsor in the preceding year.

(5) Data on the number of delinquencies and defaults.

(6) Recommendations, as needed, to improve the operation of the fund.

(7) The number of loans made at interest rates lower than 7 percent per annum, and the income of households assisted by those loans.

(8) The public transportation services conveniently available to assisted households.

(9) The number of manufactured housing units assisted under Section 50531 and this section.

(10) The location, size, and cost of land, and option rights purchased with land purchase loans.

(g) (1) Except as provided in paragraph (2), the balance of any loan made from the fund or its predecessor fund which remains unpaid on September 22, 1983, except any portion which is delinquent, and all loans made from the fund on or after that date, shall bear interest at a rate of 7 percent per annum.

(2) The department may reduce or eliminate interest on the loans, if, in the exercise of sound discretion, the department determines that action is necessary for the provision of decent housing to very low income households, as described in Section 50105. However, if the department eliminates interest on a loan, it shall charge a loan origination fee not to exceed 2 percent of the loan amount.

(h) Other things being equal, the department shall give priority to assisting development which will be located in public transit corridors.

(i) The department may make predevelopment loans or land purchase loans for the development of mobilehome parks and manufactured housing subdivisions.

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

There is an immediate need for the provision of assistance to

farmworkers living in housing which was damaged by the recent flooding which occurred earlier this year. However, current law includes provisions which prohibit or reduce the ability of the Farmworker Housing Grant Program to use program funds to assist low-income farmworkers who suffer from disasters, such as the recent flooding. This requires revisions in existing program statutes to allow program funds to be used in this and future state disasters. It is, therefore, necessary for this act to take effect immediately.

CHAPTER 240

An act to add Sections 4875.2, 4875.4, and 4875.6 to the Business and Professions Code, relating to veterinarians, and making an appropriation therefor.

[Approved by Governor July 2, 1986 Filed with Secretary of State July 2, 1986]

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

SECTION 1. Section 4875.2 is added to the Business and Professions Code, to read:

4875.2. If, upon completion of an investigation, the executive officer has probable cause to believe that a veterinarian or an unlicensed person acting as a veterinarian has violated provisions of this chapter, he or she may issue a citation to the veterinarian or unlicensed person, as provided in this section. Each citation shall be in writing and shall describe with particularity the nature of the violation, including a reference to the provision of this chapter alleged to have been violated. In addition, each citation may contain an order of abatement fixing a reasonable time for abatement of the violation, and may contain an assessment of a civil penalty. The citation shall be served upon the veterinarian or unlicensed individual personally or by any type of mailing requiring a return receipt. Before any citation may be issued, the executive officer shall submit the alleged violation for review and investigation to at least one designee of the board who is a veterinarian licensed in or employed by the state. The review shall include attempts to contact the veterinarian or unlicensed person to discuss and resolve the alleged violation. Upon conclusion of the board designee's review, the designee shall prepare a finding of fact and a recommendation. If the board designee concludes that probable cause exists that the veterinarian or unlicensed person has violated any provisions of this chapter, a civil citation shall be issued to the veterinarian or unlicensed person.

SEC. 2. Section 4875.4 is added to the Business and Professions Code, to read:

4875.4. (a) The board shall, in the manner prescribed in Section

4808, adopt regulations covering the assessment of civil penalties under this article which give due consideration to the appropriateness of the penalty with respect to the following factors:

(1) The gravity of the violation.

(2) The good faith of the person being charged.

(3) The history of previous violations.

(b) In no event shall the civil penalty for each citation issued be assessed in an amount greater than two thousand dollars ($2,000).

SEC. 3. Section 4875.6 is added to the Business and Professions Code, to read:

4875.6. (a) If a veterinarian or an unlicensed person desires to administratively contest a civil citation or the proposed assessment of a civil penalty therefor, he or she shall, within 10 business days after service of the citation, notify the executive officer in writing of his or her request for an informal conference with the executive officer or his or her designee. The executive officer or his or her designee shall hold, within 60 days from the receipt of the request, an informal conference. At the conclusion of the informal conference, the executive officer may affirm, modify, or dismiss the citation or proposed assessment of a civil penalty, and he or she shall state with particularity in writing his or her reasons for the action, and shall immediately transmit a copy thereof to the board, the veterinarian or unlicensed person, and the person who submitted the verified complaint. If the veterinarian or unlicensed person desires to administratively contest a decision made after the informal conference, he or she shall inform the executive officer in writing within five business days after he or she receives the decision resulting from the informal conference.

If the veterinarian or unlicensed person fails to notify the executive officer in writing that he or she intends to contest the citation or the proposed assessment of a civil penalty therefor or the decision made after an informal conference within the time specified in this subdivision, the citation or the proposed assessment of a civil penalty or the decision made after an informal conference shall be deemed a final order of the board and shall not be subject to further administrative review.

(b) If an alleged violation is resolved by payment of the assessed civil penalty, or by an agreement to comply with the order of abatement, at or prior to the informal conference, the civil citation and any records relating thereto shall be confidential and shall not be subject to public disclosure.

(c) A veterinarian or an unlicensed person may, in lieu of contesting a citation pursuant to this section, transmit to the board the amount assessed in the citation as a civil penalty, within 10 business days after service of the citation. An unlicensed person may notify the board that he or she wishes to proceed directly to a judicial hearing which may be brought by the board under subdivision (e), without engaging in an informal conference or administrative hearing.

(d) If a veterinarian or an unlicensed person has notified the executive officer in a timely manner that he or she intends to contest the decision made after the informal conference, the executive officer shall arrange a hearing to be held in accordance with Section 11512 of the Government Code, except that the hearing shall be held before the board and an administrative law judge. After the hearing, the board and administrative law judge shall issue a decision, based on findings of fact, affirming, modifying, or vacating the citation, or directing other appropriate relief which shall include, but need not be limited to, a notice that the failure of a veterinarian or unlicensed person to comply with any provision of the board's decision constitutes grounds for suspension, or denial of licensure, or both. The proceedings under this section shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, and the board shall have all the powers granted therein.

(e) After the exhaustion of the review procedures provided for in this section, the board may bring an action in the appropriate court in the county in which the offense occurred to recover the civil penalty and obtain an order compelling the cited person to comply with the order of abatement. In that action, the complaint shall include a certified copy of the final order of the board, together with the factual findings and recommendation of the board's designee. The findings of the board's designee shall be prima facie evidence of the facts stated therein, and in the absence of contrary evidence may serve as the basis for the issuance of the judgment and order.

(f) Any civil penalties received under this chapter shall be deposited in the Board of Examiners in Veterinary Medicine Contingent Fund.

CHAPTER 241

An act to amend Section 2006 of the Streets and Highways Code, relating to highways.

[Approved by Governor July 2, 1986 Filed with Secretary of State July 2, 1986]

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

SECTION 1. Section 2006 of the Streets and Highways Code is amended to read:

2006. The board of supervisors of each county shall appoint a single road commissioner for all road districts in the county. Every person who is appointed road commissioner after December 31, 1965, shall be a registered civil engineer. However, the City and County of San Francisco may appoint a person road commissioner who is not a registered civil engineer. Any person appointed road

commissioner on or before December 31, 1965, need not be a registered civil engineer if he or she is approved by the board of supervisors as qualified and competent to handle the road and highway work of the county. Any person who is a road commissioner in any county on December 31, 1965, need not be a registered civil engineer to be appointed road commissioner of another county after December 31, 1965. After October 1, 1952, no person shall be appointed road commissioner until the board of supervisors holds a public hearing on the qualifications of the candidate or candidates for the position of road commissioner. At least 14 days but not more than 30 days prior to the hearing, notice of the hearing shall be posted at the county courthouse and published at least once in a newspaper of general circulation in the county. Nothing in this section precludes one person from serving two or more counties. An elective county official shall not be appointed road commissioner after October 1, 1952, unless the official is holding the position of road commissioner on that date. The road commissioner is, at all times, under the direction and supervision of the board of supervisors but may be dismissed, after a hearing, only upon a majority vote of the board. This paragraph is not applicable in chartered counties whose charter requires the county surveyor to perform the duties of, or exercise the powers conferred by law on, the road commissioner.

Each county shall furnish evidence to the Controller that it has complied with this section.

Neither the Controller nor any other state officer shall make any allocations or payments to any county from the Highway Users Tax Account in the State Transportation Fund until the county has complied with the requirements of this section; except that, if a vacancy occurs in the office of road commissioner of a county, the allocations or payments to the county shall not be suspended pursuant to this section unless the county has not appointed a new road commissioner in accordance with this section within 180 days from the date the vacancy first occurred.

The 180-day time limit is contingent on the condition that there be a qualified acting road commissioner functioning during the interim period under direct appointment by the board of supervisors.

CHAPTER 242

An act to amend Sections 50952 and 50973 of the Government Code, relating to volunteer firefighters.

[Approved by Governor July 2, 1986. Filed with Secretary of State July 2, 1986]

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

SECTION 1. Section 50952 of the Government Code is amended to read:

50952. For the purposes of this chapter, unless the context otherwise requires, the definitions set forth below shall mean the following:

(a) "Actuarial interest rate" means the interest rate fixed by the board for purposes of actuarial valuation of the assets and liabilities of the award system.

(b) "Annual interest rate" means the interest rate fixed by the board for purposes of crediting interest.

(c) "Award" means monthly payments for life derived from contributions by a department.

(d) "Award system" means the Volunteer Firefighters Length of Service Award System established by this chapter.

(e) "Board" means the Board of Administration of the Public Employees' Retirement System.

(f) "Certified current service credit" means credit certified pursuant to Section 50959 for services rendered after the contract operative date.

(g) "Contract operative date" means the first day of the month next following the date on which the contract becomes effective.

(h) "Department" means a regularly organized fire department of a city, county, city and county, or district, having official recognition of the government of the city, county, city and county, or district in which such department is located.

(i) "Fund" means the Volunteer Firefighters Length of Service Award System Fund created by this chapter.

(j) "Member" means a volunteer of a department, the governing body of which has contracted with the Public Employees' Retirement System under this chapter, and who has been certified by a qualifications review commission as having qualified for at least one year of current service credit. Membership, once established, continues indefinitely unless membership is terminated pursuant to Section 50957.

(k) "Service credit" means the aggregate of certified current service credit.

(*l*) "Service year" means the period beginning July 1 and ending June 30 of the following year.

(m) "Volunteer" means any person registered as a volunteer member of a regularly organized fire department as defined in subdivision (h).

(n) "Certified prior service credit" means credit for service performed prior to the contract operative date as certified by a qualifications review commission. That prior service shall be credited in the award system only in addition to current service for the same department or its predecessor. Certified prior service credit is optional to the contracting agency. The provisions of this

subdivision shall not apply to any department or to its volunteers unless and until the department elects to be subject to it by an amendment to its contract which is approved pursuant to Section 50973.

In no event shall any member be credited with more than eight years of prior service credit.

SEC. 2. Section 50973 of the Government Code is amended to read:

50973. Approval of the contract shall be by an ordinance adopted by the affirmative vote of a majority of the electorate of the area served by the department voting thereon.

If a governing body of a department is permitted by law to act by resolution, any action required by this article to be taken by ordinance may also be taken by adoption of a resolution.

In either case, the board shall inform the governing body of the projected costs of the program or of any changes in the program and of the method of financing. The governing body shall certify to the board that the governing body has fully informed the electorate of the costs of the program or of any changes in the program and of the method of financing.

CHAPTER 243

An act to amend Section 1821 of the Probate Code, relating to conservatorships.

[Approved by Governor July 2, 1986 Filed with Secretary of State July 2, 1986]

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

SECTION 1. Section 1821 of the Probate Code is amended to read:

1821. (a) The petition shall request that a conservator be appointed for the person or estate, or both, shall specify the name and address of the proposed conservator and the name and address of the proposed conservatee, and shall state the reasons why the appointment is required.

(b) The petition shall set forth, so far as they are known to the petitioner, the names and addresses of the spouse and of the relatives of the proposed conservatee within the second degree. If no spouse of the proposed conservatee, or relatives of the proposed conservatee within the second degree are known to the petitioner, the petition shall set forth, so far as they are known to the petitioner, the names and addresses of the following persons who, for the purposes of Section 1822, shall all be deemed to be relatives:

(1) A spouse of a predeceased parent of a proposed conservatee.

(2) The children of a predeceased spouse of a proposed

conservatee.

(3) The siblings of the proposed conservatee's parents, if any, but if none, then the natural and adoptive children of the proposed conservatee's parents' siblings.

(4) The natural and adoptive children of the proposed conservatee's siblings.

(c) If the petition is filed by one other than the proposed conservatee, the petition shall state whether or not the petitioner is a creditor or debtor of the proposed conservatee.

(d) If the proposed conservatee is a patient in or on leave of absence from a state institution under the jurisdiction of the State Department of Mental Health or the State Department of Developmental Services and that fact is known to the petitioner, the petition shall state that fact and name the institution.

(e) The petition shall state, so far as is known to the petitioner, whether or not the proposed conservatee is receiving or is entitled to receive benefits from the Veterans Administration and the estimated amount of the monthly benefit payable by the Veterans Administration for the proposed conservatee.

(f) The petition may include an application for any order or orders authorized under this division, including, but not limited to, orders under Chapter 4 (commencing with Section 1870).

(g) The petition may include a further statement that the proposed conservatee is not willing to attend the hearing on the petition, does not wish to contest the establishment of the conservatorship, and does not object to the proposed conservator or prefer that another person act as conservator.

(h) In the case of an allegedly developmentally disabled adult the petition shall set forth the following:

(1) The nature and degree of the alleged disability, the specific duties and powers requested by or for the limited conservator, and the limitations of civil and legal rights requested to be included in the court's order of appointment.

(2) Whether or not the proposed limited conservatee is or is alleged to be developmentally disabled.

CHAPTER 244

An act to amend Section 52 of the Civil Code, relating to civil rights.

[Approved by Governor July 2, 1986. Filed with Secretary of State July 2, 1986]

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

SECTION 1. Section 52 of the Civil Code is amended to read:

52. (a) Whoever denies, or who aids, or incites such denial, or

whoever makes any discrimination, distinction or restriction on account of sex, color, race, religion, ancestry, or national origin contrary to the provisions of Section 51 or 51.5, is liable for each and every such offense for the actual damages, and such amount as may be determined by a jury, or a court sitting without a jury, up to a maximum of three times the amount of actual damage but in no case less than two hundred fifty dollars ($250), and such attorney's fees as may be determined by the court in addition thereto, suffered by any person denied the rights provided in Section 51 or 51.5.

(b) Whoever denies the right provided by Section 51.7, or whoever aids, incites, or conspires in that denial, is liable for each and every offense for the actual damages suffered by any person denied that right and, in addition, (1) an amount to be determined by a jury, or a court sitting without a jury, up to a maximum of three times the amount of actual damages; (2) a civil penalty of ten thousand dollars ($10,000); and (3) attorney fees as may be determined by the court. In the case of multiple offenders, the ten thousand dollar ($10,000) civil penalty shall be prorated between them.

(c) Whenever there is reasonable cause to believe that any person or group of persons is engaged in a pattern or practice of resistance to the full enjoyment of any of the rights hereby secured, and that the pattern or practice is of such a nature and is intended to deny the full exercise of the rights herein described, the Attorney General, any district attorney or city attorney, or any person aggrieved by the pattern or practice may bring a civil action in the appropriate court by filing with it a complaint (1) signed by the officer (or in his or her absence the individual acting on behalf of the officer) or by the person aggrieved, (2) setting forth facts pertaining to the pattern or practice, and (3) requesting such preventive relief, including an application for a permanent or temporary injunction, restraining order, or other order against the person or persons responsible for such pattern or practice, as he or she deems necessary to insure the full enjoyment of the rights herein described.

(d) Whenever an action has been commenced in any court seeking relief from the denial of equal protection of the laws under the Fourteenth Amendment to the Constitution of the United States on account of race, color, religion, sex, or national origin, the Attorney General or any district attorney or city attorney for or in the name of the people of the State of California may intervene in the action upon timely application if the Attorney General or any district attorney or city attorney certifies that the case is of general public importance. In such action the people of the State of California shall be entitled to the same relief as if it had instituted the action.

(e) Actions under this section shall be independent of any other remedies or procedures that may be available to an aggrieved party.

(f) Any person claiming to be aggrieved by an alleged unlawful practice in violation of Section 51 or 51.7 may also file a verified complaint with the Department of Fair Employment and Housing pursuant to Section 12948 of the Government Code.

CHAPTER 245

An act to add Section 8609 to the Water Code, relating to flood control.

[Approved by Governor July 2, 1986. Filed with Secretary of State July 2, 1986.]

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

SECTION 1. Section 8609 is added to the Water Code, to read:

8609. (a) The board may designate floodways throughout the Sacramento and San Joaquin Rivers drainage to control encroachments in and to preserve the flow regimens of floodways, for the purpose of protecting public improvements, lives, land use values, and improvements created in reliance upon historical flooding patterns.

(b) As used in this part, "Sacramento and San Joaquin Rivers drainage," or equivalent language, means all lands currently and historically drained by the Sacramento River and the San Joaquin River, their tributaries, and distributaries.

(c) This section is declaratory of existing law.

CHAPTER 246

An act to amend Section 1005 of the Code of Civil Procedure, relating to service of process.

[Approved by Governor July 2, 1986. Filed with Secretary of State July 2, 1986.]

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

SECTION 1. Section 1005 of the Code of Civil Procedure is amended to read:

1005. When a written notice of a motion is necessary, it shall be given at least 15 days before the time appointed for the hearing and shall be accompanied by all supporting points and authorities, declarations, and other supporting materials; provided that if the notice is served by mail, the required 15-day period of notice before the time appointed for the hearing shall be increased by five days if the place of mailing and the place of address are within the State of California, 10 days if either the place of mailing or the place of address is outside the State of California but within the United States, and 20 days if either the place of mailing or the place of address is outside the United States. The provisions of subdivision (a) of Section 1013, extending the time within which a right may be exercised or an act may be done, do not apply to a notice of motion governed by

this section. All papers opposing a motion so noticed shall be filed with the court and served on each party at least five court days before the time appointed for the hearing.

The court, or a judge thereof, may prescribe a shorter time.

CHAPTER 247

An act to amend Section 411.30 of the Code of Civil Procedure, relating to health.

[Approved by Governor July 2, 1986 Filed with Secretary of State July 2, 1986]

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

SECTION 1. Section 411.30 of the Code of Civil Procedure is amended to read:

411.30. (a) In any action for damages arising out of the professional negligence of a person holding a valid physician's and surgeon's certificate issued pursuant to Chapter 5 (commencing with Section 2000) of Division 2 of the Business and Professions Code, or of a person holding a valid dentist's license issued pursuant to Chapter 4 (commencing with Section 1600) of Division 2 of the Business and Professions Code, or of a person holding a valid podiatrist's certificate issued pursuant to Article 22 (commencing with Section 2460) of Chapter 5 of Division 2 of the Business and Professions Code, or of a person licensed pursuant to the Chiropractic Act, on or before the date of service of the complaint on any defendant, the plaintiff's attorney shall file the certificate specified in subdivision (b).

(b) A certificate shall be executed by the attorney for the plaintiff declaring one of the following:

(1) That the attorney has reviewed the facts of the case, that the attorney has consulted with at least one physician and surgeon, dentist, podiatrist, or chiropractor who is licensed to practice and practices in this state or any other state or teaches at an accredited college or university and who the attorney reasonably believes is knowledgeable in the relevant issues involved in the particular action, and that the attorney has concluded on the basis of such review and consultation that there is reasonable and meritorious cause for the filing of such action.

(2) That the attorney was unable to obtain the consultation required by paragraph (1) because a statute of limitations, including the provisions of Article 2 (commencing with Section 583.210) of Chapter 1.5 of Title 8, would impair the action and that the certificate required by paragraph (1) could not be obtained before the impairment of the action. If a certificate is executed pursuant to this paragraph, the certificate required by paragraph (1) shall be filed

within 60 days after service of the complaint.

(3) That the attorney was unable to obtain the consultation required by paragraph (1) because the attorney had made three separate good faith attempts with three separate physicians and surgeons, dentists, podiatrists, or chiropractors to obtain such consultation and none of those contacted would agree to such a consultation.

(c) Where a certificate is required pursuant to this section, only one such certificate shall be filed notwithstanding that multiple defendants have been named in the complaint or may be named at a later time.

(d) Where the attorney intends to rely solely on the doctrine of "res ipsa loquitur", as defined in Section 646 of the Evidence Code, or exclusively on a failure to inform of the consequences of a procedure, or both, this section shall be inapplicable. The attorney shall certify upon filing of the complaint that the attorney is solely relying on the doctrines of "res ipsa loquitur" or failure to inform of the consequences of a medical procedure or both, and for that reason is not filing a certificate required by this section.

(e) If a request by the plaintiff for the defendant's records has been made pursuant to Section 1158 of the Evidence Code, and if the defendant has failed to produce such records within the time limits specified by that section, the time for filing the certificate of merit shall be extended for the period by which the time for furnishing records set forth in Section 1158 of the Evidence Code is exceeded by the defendant to a maximum of 60 days after which the requirement for the certificate is voided.

(f) For purposes of this section, and subject to Evidence Code Section 912, an attorney who submits a certificate as required by paragraph (1) or (2) of subdivision (b) has a privilege to refuse to disclose the identity of the physician or surgeon, dentist, podiatrist, or chiropractor consulted and the contents of such consultation. Such privilege shall also be held by the physician or surgeon, dentist, podiatrist, or chiropractor so consulted, provided when the attorney makes a claim under paragraph (3) of subdivision (b) that he was unable to obtain the required consultation with the physician and surgeon, dentist, podiatrist, or chiropractor, the court may require the attorney to divulge the names of physicians and surgeons, dentists, podiatrists, or chiropractors refusing such consultation.

(g) A violation of the provisions of this section may constitute unprofessional conduct and be grounds for discipline against the attorney.

(h) The failure to file a certificate required by this section shall be grounds for a demurrer pursuant to Section 430.10.

(i) The provisions of this section shall not be applicable to a plaintiff who is not represented by an attorney.

(j) This section shall remain in effect until January 1, 1989, and on that date is repealed unless a later enacted statute deletes or extends that date.

CHAPTER 248

An act to amend Sections 7108.5, 8706, 9741, 17300, and 25608 of, to amend and renumber Sections 5678, 5679, 5680, 9750, 19170, 24045.9, and 24757 of, to add Chapter 19.5 (commencing with Section 22440) to Division 8 of, and to repeal Chapter 20 (commencing with Section 22450) of Division 8 of, the Business and Professions Code, to amend Section 2945.1 of, to amend and renumber Section 43.5(a) of, to amend and renumber the heading of Chapter 6 (commencing with Section 1918) of Title 4 of Part 4 of Division 3 of, and to repeal the heading of Chapter 2a (commencing with Section 2980) of Title 14 of Part 4 of Division 3 of, the Civil Code, to amend Sections 697.590, 1985.3, and 2037 of, and to repeal Section 86.1 of, the Code of Civil Procedure, to amend Sections 44857, 48915, 49557, and 67300 of, to amend and renumber Sections 51880, 51881, 51882, and 69648.5 of, to repeal Sections 15104, 92660, 92660.5, 92661, and 92667 of, and to repeal the headings of Article 2 (commencing with Section 2520) of Chapter 12 of Part 2, Article 7 (commencing with Section 5400) of Chapter 3 of Part 4, Chapter 11 (commencing with Section 11000) of Part 7, Article 4 (commencing with Section 84070) of Chapter 1 of Part 50, and Article 4.5 (commencing with Section 92045) of Chapter 1 of Part 57 of, the Education Code, to amend Section 451 of the Evidence Code, to amend Sections 12534, 12582, and 12608.5 of the Food and Agricultural Code, to amend Sections 3501, 3541.5, 7090, 10527.2, 10549, 11010, 11346.52, 15325, 15333, 15355, 15382, 15384, 15385, 15972, 15973, 15975, 15980, 15982, 16304.6, 17622, 23150, 23285, 23358, 53637, 53638, 53639, 53640, 53641, 53643, 53645, 53650, 54957.6, 57075.5, and 66700 of, to amend and renumber Sections 6254.2, 7575, 14669, 15335.5, 19822.5, 27556, 31648.3, 35155.5, 53075, 53635.5, and 71603.5 of, to amend and renumber the headings of Chapter 26 (commencing with Section 7570) of Division 7 of Title 1, Chapter 11 (commencing with Section 8855) of Division 1 of Title 2, Article 4 (commencing with Section 14825) of Chapter 6 of Part 5.5 of Division 3 of Title 2, and Article 8 (commencing with Section 25730) of Chapter 7 of Division 2 of Title 3 of, to repeal Sections 11019, 15981, and 66714.9 of, to repeal the heading of Article 4 (commencing with Section 4380) of Chapter 4 of Division 5 of Title 1 of, and to add the heading of Article 5 (commencing with Section 18990) to Chapter 5 of Part 2 of Division 5 of Title 2 of, the Government Code, to amend Section 1202 of the Harbors and Navigation Code, to amend Sections 113, 1339.5, 1502, 1596.865, 1596.871, 1797, 1797.3, 1797.50, 1797.54, 1797.84, 1797.97, 1797.106, 1797.107, 1797.133, 1797.174, 1797.208, 1797.212, 1798.200, 1798.202, 1798.204, 1798.206, 1798.208, 1799.50, 1799.108, 11151, 11380, 12651, 25159.15, 25159.17, 25191.7, 25291, 44200, and 50177 of, to amend and renumber the headings of Article 5 (commencing with Section 4638,) Article 6 (commencing with Section 4641), and Article 7 (commencing with Section 4650) of Chapter 1 of Part 3 of Division 5 of, to repeal Sections 1271, 1418.2, 1418.6, 1424.1, 1427, 1428.1, 1430.5, 1439.5, 1439.7, and 1439.8 of, to

repeal Article 2.5 (commencing with Section 1272) of Chapter 2 of Division 2 of, to repeal the headings of Article 3 (commencing with Section 1791) of Chapter 10 of Division 2, Part 1 (commencing with Section 1797) of Division 2.5, and Article 4 (commencing with Section 4627) of Chapter 1 of Part 3 of Division 5 of, and to repeal Chapter 6 (commencing with Section 38050) of Division 25 of, the Health and Safety Code, to amend Section 15001 of the Insurance Code, to amend Sections 3201, 3202, 3203, and 6382 of the Labor Code, to amend Sections 1170.1, 1213.5, 3041.5, 3605, and 11166.5 of, to amend the heading of Chapter 1 (commencing with Section 13010) of Title 3 of Part 4 of, to amend and renumber Sections 806, 1203.1g, and 1270, and to amend and renumber the headings of Articles 2 (commencing with Section 13010) and 3 (commencing with Section 13020) of Chapter 1 of Title 3 of Part 4 of, the Penal Code, to amend Section 707 of the Probate Code, to amend and renumber Sections 21000, 21001, 21002, 21100, 21101, 21102, 21103, 21104, 21105, 21106, 21107, 21108 21109, 21110, 21200, 21201, 21202, 21203, 21204, 21205, 21206, 21207. 21208, 21209, 21210, 21211, 21212, 21213, 21214, and 21215 of the Public Contract Code, to amend Sections 739, 3236.5, 3754.5, 5020.6, 9314, and 31101 of, and to amend and renumber the heading of Division 7.2 (commencing with Section 8700) of, the Public Resources Code, to amend Section 28746.6 of, and to amend and renumber Sections 779.1 and 99270 of, the Public Utilities Code, to amend Sections 7252, 23735, 24344, 24447, 24520, 25553.5, and 26426 of, and to repeal Sections 3791.4 and 6357.5 of, the Revenue and Taxation Code, to amend Sections 2117 and 2127 of the Streets and Highways Code, to amend Sections 976.6, 984, 987.7, 1085, 1222, 9973, 15002, 15056.6, and 15077 of, and to repeal Sections 986.5, 987.5, and 1088.5 of, the Unemployment Insurance Code, to amend Sections 387, 1808.6, and 42270 of, to amend and renumber Sections 1670 and 23206.5 of, and to repeal Section 6700.5 of, the Vehicle Code, to amend Section 128 of the Water Code, and to amend Sections 350 and 14123 of, to amend and renumber Sections 22, 362.3, 729, 1752.82, 4473, 9132, 11312, 14005.10, 14105.1, 14105.9, 14133.6, 14149, 14462, 16145, 16146, and 16147 of, to amend and renumber the headings of Chapter 6 (commencing with Section 5500) of Part 1 of Division 5 and Chapter 8 (commencing with Section 9540) of Division 8.5 of, to add Chapter 4.8 (commencing with Section 9396) to Division 8.5 and Article 3.85 (commencing with Section 11348.5) to Chapter 2 of Part 3 of Division 9 of, to repeal Sections 4302, 14022.3, 14110.6, 14110.7, 14123.1, 14124.7, and 14124.10 of, to repeal Chapter 4.7 (commencing with Section 9390) of Division 8.5 of, and to repeal Article 3.8 (commencing with Section 11347) of Chapter 2 of Part 3 of Division 9 of, the Welfare and Institutions Code, and to add Section 10 to Chapter 30 of the Statutes of 1985, relating to the maintenance of the codes.

[Approved by Governor July 2, 1986. Filed with Secretary of State July 2, 1986]

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

SECTION 1. Section 5678 of the Business and Professions Code, as added by Chapter 1383 of the Statutes of 1984, is amended and renumbered to read:

5678.5. Every insurer providing professional liability insurance to a holder of a certificate, and every certificate holder, shall send a complete report to the board on any settlement or arbitration award in excess of five thousand dollars ($5,000) of a claim or action for damages caused by the certificate holder's fraud, deceit, negligence, incompetency, or recklessness in practice. The report shall be sent within 30 days after the settlement agreement has been consented to by the insured or within 30 days after service of the arbitration award on the parties.

SEC. 2. Section 5679 of the Business and Professions Code, as added by Chapter 1383 of the Statutes of 1984, is amended and renumbered to read:

5679.5. Every settlement or arbitration award in excess of five thousand dollars ($5,000) of a claim or action for damages caused by the certificate holder's fraud, deceit, negligence, incompetency, or recklessness in practice when the certificate holder does not possess professional liability insurance as to the claim shall, within 30 days after any settlement agreement has been consented to by the certificate holder or 30 days after service of the arbitration award on the parties, be reported to the board. A complete report shall be made by appropriate means by the certificate holder or the holder's counsel, with a copy of the communication to be sent to the claimant through the claimant's counsel if the claimant is so represented, or directly if the claimant is not. If, within 45 days of the conclusion of the settlement agreement or service of the arbitration award on the parties, counsel for the claimant, or if the claimant is not represented by counsel, the claimant, has not received a copy of the report, he or she shall himself or herself make the complete report. Failure of the certificate holder or claimant or, if represented by counsel, their counsel, to comply with this section shall be a misdemeanor punishable by a fine of not less than one hundred dollars ($100) or more than one thousand dollars ($1,000). Knowing and intentional failure to comply with this section, or conspiracy or collusion not to comply with this section, or to hinder or impede any other person in compliance shall be a misdemeanor punishable by a fine of not less than ten thousand dollars ($10,000) nor more than one hundred thousand dollars ($100,000).

SEC. 3. Section 5680 of the Business and Professions Code, as added by Chapter 1383 of the Statutes of 1984, is amended and renumbered to read:

5680.05. Within 10 days after a judgment by a court of this state

that a certificate holder has committed a crime or is liable for any death, personal or property injury or loss caused by the certificate holder's fraud, deceit, negligence, incompetency, or recklessness in practice, the clerk of the court which rendered the judgment shall report this to the board.

SEC. 4. Section 7108.5 of the Business and Professions Code is amended to read:

7108.5. A prime building contractor shall pay to any specialty contractor, within 10 days of receipt of each progress payment, unless otherwise agreed in writing by the parties, the respective amounts allowed the contractor on account of the work performed by the subcontractors, to the extent of each such subcontractor's interest therein. Any violation of this section shall constitute a cause for disciplinary action.

This section applies to all private works of improvement and to all public works of improvement, except where Section 10262 of the Public Contract Code applies.

SEC. 5. Section 8706 of the Business and Professions Code is amended to read:

8706. "Board" refers to the State Board of Registration for Professional Engineers and Land Surveyors.

SEC. 6. Section 9741 of the Business and Professions Code is amended to read:

9741. Registration shall be on the form prescribed by the board and shall include, but not be limited to, the full name of the registrant, business and residence addresses, description and identification of aircraft or boats which may be used in dispensing cremated human remains, and the area to be served. Each registration application shall be accompanied by the cremated remains disposer fee.

SEC. 7. Section 9750 of the Business and Professions Code, as added by Chapter 391 of the Statutes of 1985, is amended and renumbered to read:

9749.5. A cremated remains disposer shall be subject to and shall be disciplined by the board in accordance with Article 6 (commencing with Section 9725). Any violation of this article shall also be grounds for disciplinary action.

SEC. 8. Section 17300 of the Business and Professions Code is amended to read:

17300. (a) It shall be unlawful for any person to duplicate for the purpose of sale any manufactured item made by another without the permission of that other person using the direct molding process described in subdivision (c).

(b) It shall be unlawful for any person to sell an item duplicated in violation of subdivision (a).

(c) The direct molding processes subject to this section is any direct molding process in which the original manufactured item was itself used as a plug for the making of the mold which is used to manufacture the duplicate item.

(d) This section applies only to items duplicated using a mold made on or after January 1, 1979.

SEC. 9. Section 19170 of the Business and Professions Code, as added by Chapter 1456 of the Statutes of 1984, is amended and renumbered to read:

19170.3. The annual fee for an insulation manufacturing license shall be fixed by the bureau in an amount not less than one thousand eight hundred fifty dollars ($1,850) but not more than two thousand five hundred dollars ($2,500).

SEC. 10. Chapter 20 (commencing with Section 22450) of Division 8 of the Business and Professions Code, as added by Chapter 1149 of the Statutes of 1983, is repealed.

SEC. 11. Chapter 19.5 (commmencing with Section 22440) is added to Division 8 of the Business and Professions Code, to read:

CHAPTER 19.5. IMMIGRATION CONSULTANTS

22440. It is unlawful for any person, for compensation, other than persons authorized to practice law or authorized by federal law to represent persons before the Board of Immigration Appeals or the United States Immigration and Naturalization Service, to engage in the business or act in the capacity of an immigration consultant within this state except as provided by this chapter.

22441. (a) A person engages in the business or acts in the capacity of an immigration consultant when that person gives advice on an immigration matter, including drafting an application, brief, document, petition or other paper, completing a form provided by a federal or state agency in an immigration matter.

(b) "Immigration matter" means any proceeding, filing, or action affecting the immigration or citizenship status of any person which arises under immigration and naturalization law, executive order or presidential proclamation, or action of the United States Immigration and Naturalization Service, the United States Department of State or the United States Department of Labor.

(c) "Compensation" means money, property, or anything else of value.

22442. (a) Every person engaged in the business or acting in the capacity of an immigration consultant who enters into a contract or agreement with a client to provide services shall, prior to providing any services, provide the client with a written contract, the contents of which shall be prescribed by the Department of Consumer Affairs in regulations adopted by it.

(b) The written contract shall include provisions relating to the following:

(1) The services to be performed.

(2) The costs of the services to be performed.

There shall be printed on the face of the contract in 10-point bold type a statement that the immigration consultant is not an attorney and may not perform the legal services that an attorney performs.

(c) The written contract shall not include provisions relating to the following:

(1) Any guarantee or promise, unless the immigration consultant has some basis in fact for making the guarantee or promise.

(2) Any statement that the immigration consultant can or will obtain special favors from or has special influence with the United States Immigration and Naturalization Service.

(d) The provisions of the written contract shall be stated both in English and in the language of the client.

(e) The client shall have the right to rescind the contract within 72 hours of signing the contract. The contents of this subdivision shall be conspicuously set forth in the written contract in both English and the language of the client.

(f) A violation of this section is a misdemeanor.

(g) This section does not apply to employees of nonprofit, tax-exempt corporations who help clients, free of charge, complete application forms in an immigration matter.

22443. No person engaged in the business or acting in the capacity of an immigration consultant shall retain in his or her possession original documents of a client.

22444. It is unlawful for any person engaged in the business or acting in the capacity of an immigration consultant to do any of the following acts:

(a) Make false or misleading statements to a client while providing services to that client.

(b) Make any guarantee or promise to a client, unless the guarantee or promise is in writing and the immigration consultant has some basis in fact for making the guarantee or promise.

(c) Make any statement that the immigration consultant can or will obtain special favors from or has special influence with the United States Immigration and Naturalization Service.

22445. A violation of this chapter is a misdemeanor punishable by a fine of not less than five hundred dollars ($500) or more than two thousand dollars ($2,000), or imprisonment for not more than one year, or both such fine and imprisonment.

SEC. 12. Section 24045.9 of the Business and Professions Code, as added by Chapter 399 of the Statutes of 1984, is amended and renumbered to read:

24045.85. The department may issue a special on-sale beer and wine license to any symphony association organized as a nonprofit corporation more than 30 years before the date of application and which is exempt from the payment of income taxes under Section 23701d of the Revenue and Taxation Code and Section 501(c)(3) of the Internal Revenue Code of 1954 of the United States.

A symphony association holding a license under this section may sell and serve alcoholic beverages only to persons attending concerts presented by the symphony association. Sales of alcoholic beverages shall only be permitted, subject to Section 25631, during the period commencing two hours before the performance and ending one

hour after the performance.

The applicant for a license shall accompany the application with an original fee of three hundred dollars ($300) and shall pay an annual renewal fee as provided in subdivision (23) of Section 23320.

Original licenses may be issued pursuant to this section until January 1, 1987; thereafter no new licenses shall be issued. Licenses originally issued pursuant to this section prior to January 1, 1987, may continue to be renewed annually by the holder thereof.

SEC. 13. Section 24757 of the Business and Professions Code, as added by Chapter 131 of the Statutes of 1984, is amended and renumbered to read:

24757.5. (a) Any trade association having as members licensed distilled spirits manufacturers or licensed distilled spirits wholesalers representing more than half of the volume of distilled spirits sold in California for three months prior to the date of a filing of any suit authorized in this chapter may maintain an action to enjoin a continuance of any act or acts in violation of this chapter or any rule adopted pursuant thereto and, if injured thereby, for the recovery of damages. If in the action the court finds the defendant is violating or has violated this chapter or any rule adopted pursuant thereto, the court shall enjoin the defendant from a continuance or further violation thereof. It shall not be necessary that actual damages to the plaintiff be alleged or proved in the action, and proof of a violation of this chapter or any rule adopted pursuant thereto shall be presumptive evidence of an intention to continue to violate this chapter or any rule adopted pursuant thereto.

(b) Any trade association having as members licensed distilled spirits manufacturers or licensed distilled spirits wholesalers representing more than half of the volume of distilled spirits sold in California for three months prior to the date of a filing of a petition to intervene shall, upon the filing of the petition, be permitted to intervene as a party in any proceeding, whether before the department, any other administrative agency, or any court, which involves, in whole or part, the validity of any portion of the Alcoholic Beverage Control Act or of any rule adopted pursuant thereto. Intervention shall be permitted, upon petition, at any time before a final determination or adjudication has been rendered in the proceeding. In the case of an adjudicatory proceeding, an intervening trade association shall have the same right to participate in discovery and trial as any other party.

SEC. 14. Section 25608 of the Business and Professions Code is amended to read:

25608. Every person who possesses, consumes, sells, gives, or delivers to any other person, any alcoholic beverage in or on any public schoolhouse or any of the grounds thereof, is guilty of a misdemeanor. This section does not, however, make it unlawful for any person to acquire, possess, or use any alcoholic beverage in or on any public schoolhouse, or on any grounds thereof, if any of the following applies:

(a) The alcoholic beverage is acquired, possessed, or used in connection with a course of instruction given at the school and the person has been authorized to acquire, possess, or use it by the governing body or other administrative head of the school.

(b) The public schoolhouse is surplus school property and the grounds thereof are leased to a lessee which is a general law city with a population of less than 50,000, or the public schoolhouse is surplus school property and the grounds thereof are located in an unincorporated area and are leased to a lessee which is a civic organization, and the property is to be used for community center purposes and no public school education is to be conducted thereon by either the lessor or the lessee and the property is not being used by persons under the age of 21 years for recreational purposes at any time during which alcoholic beverages are being sold or consumed on the premises.

(c) The alcoholic beverages are acquired, possessed, or used during events at a college-owned or operated veterans stadium with a capacity of over 12,000 people, located in a county with a population of over six million people. As used in this subdivision, "events" mean football games sponsored by a college, other than a public community college, or other events sponsored by noncollege groups.

Any person convicted of a violation of this section shall, in addition to the penalty imposed for the misdemeanor, be barred from having or receiving any privilege of the use of public school property which is accorded by Article 2 (commencing with Section 40040) of Chapter 6 of Part 23, and Article 2 (commencing with Section 82530) of Chapter 8 of Part 49 of, the Education Code.

SEC. 15. Section 43.5(a) of the Civil Code is amended and renumbered to read:

43.55. There shall be no liability on the part of, and no cause of action shall arise against, any peace officer who makes an arrest pursuant to a warrant of arrest regular upon its face if the peace officer in making the arrest acts without malice and in the reasonable belief that the person arrested is the one referred to in the warrant.

SEC. 16. The heading of Chapter 6 (commencing with Section 1918) of Title 4 of Part 4 of Division 3 of the Civil Code is amended and renumbered to read:

CHAPTER 7.5. MORTGAGE LOANS

SEC. 17. Section 2945.1 of the Civil Code is amended to read:

2945.1. The following definitions apply to this chapter:

(a) "Foreclosure consultant" means any person who makes any solicitation, representation, or offer to any owner to perform for compensation or who, for compensation, performs any service which the person in any manner represents will in any manner do any of the following:

(1) Stop or postpone the foreclosure sale.

(2) Obtain any forbearance from any beneficiary or mortgagee.

(3) Assist the owner to exercise the right of reinstatement provided in Section 2924c.

(4) Obtain any extension of the period within which the owner may reinstate his or her obligation.

(5) Obtain any waiver of an acceleration clause contained in any promissory note or contract secured by a deed of trust or mortgage on a residence in foreclosure or contained in any such deed of trust or mortgage.

(6) Assist the owner to obtain a loan or advance of funds.

(7) Avoid or ameliorate the impairment of the owner's credit resulting from the recording of a notice of default or the conduct of a foreclosure sale.

(8) Save the owner's residence from foreclosure.

(b) A foreclosure consultant does not include any of the following:

(1) A person licensed to practice law in this state when the person renders service in the course of his or her practice as an attorney at law.

(2) A person licensed under Division 3 (commencing with Section 12000) of the Financial Code when the person is acting as a prorater as defined therein.

(3) A person licensed under Part 1 (commencing with Section 10000) of Division 4 of the Business and Professions Code when the person makes a direct loan or when the person (A) engages in acts whose performance requires licensure under that part, (B) is entitled to compensation for the acts performed in connection with the sale of a residence in foreclosure or with the arranging of a loan secured by a lien on a residence in foreclosure, (C) does not claim, demand, charge, collect, or receive any compensation until the acts have been performed or cannot be performed because of an owner's failure to make the disclosures set forth in Section 10243 of the Business and Professions Code or failure to accept an offer from a purchaser or lender ready, willing, and able to purchase a residence in foreclosure or make a loan secured by a lien on a residence in foreclosure on the terms prescribed in a listing or a loan agreement, and (D) does not acquire any interest in a residence in foreclosure directly from an owner for whom the person agreed to perform the acts other than as a trustee or beneficiary under a deed of trust given to secure the payment of a loan or that compensation. For the purposes of this paragraph, a "direct loan" means a loan of a real estate broker's own funds secured by a deed of trust on the residence in foreclosure, which loan and deed of trust the broker in good faith attempts to assign to a lender, for an amount at least sufficient to cure all of the defaults on obligations which are then subject to a recorded notice of default, provided that, if a foreclosure sale is conducted with respect to the deed of trust, the person conducting the foreclosure sale has no interest in the residence in foreclosure or in the outcome of the sale and is not owned, controlled, or managed by the lending broker; the lending broker does not acquire any interest in the residence in foreclosure directly from the owner other than

as a beneficiary under the deed of trust; and the loan is not made for the purpose or effect of avoiding or evading the provisions of this article.

(4) A person licensed under Chapter 1 (commencing with Section 5000) of Division 3 of the Business and Professions Code when the person is acting in any capacity for which the person is licensed under those provisions.

(5) A person or his or her authorized agent acting under the express authority or written approval of the Department of Housing and Urban Development or other department or agency of the United States or this state to provide services.

(6) A person who holds or is owed an obligation secured by a lien on any residence in foreclosure when the person performs services in connection with this obligation or lien.

(7) Any person licensed to make loans pursuant to Division 9 (commencing with Section 22000), 10 (commencing with Section 24000), or 11 (commencing with Section 26000) of the Financial Code, subject to the authority of the Commissioner of Corporations to terminate this exclusion, after notice and hearing, for any person licensed pursuant to any of those divisions upon a finding that the licensee is found to have engaged in practices described in subdivision (a) of Section 2945.

(8) Any person or entity doing business under any law of this state, or of the United States relating to banks, trust companies, savings and loan associations, industrial loan companies, pension trusts, credit unions, insurance companies, or any person or entity authorized under the laws of this state to conduct a title or escrow business, or a mortgagee which is a United States Department of Housing and Urban Development approved mortgagee and any subsidiary or affiliate of the above, and any agent or employee of the above while engaged in the business of these persons or entities.

(c) "Person" means any individual, partnership, corporation, association or other group, however organized.

(d) "Service" means and includes, but is not limited to, any of the following:

(1) Debt, budget, or financial counseling of any type.

(2) Receiving money for the purpose of distributing it to creditors in payment or partial payment of any obligation secured by a lien on a residence in foreclosure.

(3) Contacting creditors on behalf of an owner of a residence in foreclosure.

(4) Arranging or attempting to arrange for an extension of the period within which the owner of a residence in foreclosure may cure his default and reinstate his obligation pursuant to Section 2924c.

(5) Arranging or attempting to arrange for any delay or postponement of the time of sale of the residence in foreclosure.

(6) Advising the filing of any document or assisting in any manner in the preparation of any document for filing with any bankruptcy

court.

(7) Giving any advice, explanation or instruction to an owner of a residence in foreclosure which in any manner relates to the cure of a default in or the reinstatement of an obligation secured by a lien on the residence in foreclosure, the full satisfaction of that obligation, or the postponement or avoidance of a sale of a residence in foreclosure pursuant to a power of sale contained in any deed of trust.

(e) "Residence in foreclosure" means a residence in foreclosure as defined in Section 1695.1.

(f) "Owner" means a property owner as defined in Section 1695.1.

(g) "Contract" means any agreement, or any term thereof, between a foreclosure consultant and an owner for the rendition of any service as defined in subdivision (d).

SEC. 18. The heading of Chapter 2a (commencing with Section 2980) of Title 14 of Part 4 of Division 3 of the Civil Code is repealed.

SEC. 19. Section 86.1 of the Code of Civil Procedure, as added by Chapter 10 of the Statutes of 1985, is repealed. The repeal made by this section shall not affect the existence or validity of Section 86.1 of the Code of Civil Procedure, as added by Chapter 11 of the Statutes of 1985.

SEC. 20. Section 697.590 of the Code of Civil Procedure is amended to read:

697.590. (a) As used in this section:

(1) "Filing" means:

(A) With respect to a judgment lien on personal property, the filing of a notice of judgment lien in the office of the Secretary of State to create a judgment lien on personal property under this article.

(B) With respect to a security interest, the filing of a financing statement pursuant to Division 9 (commencing with Section 9101) of the Commercial Code.

(2) "Perfection" means perfection of a security interest pursuant to Division 9 (commencing with Section 9101) of the Commercial Code.

(3) "Personal property" means:

(A) With respect to a judgment lien on personal property, the property to which a judgment lien has attached pursuant to this article.

(B) With respect to a security interest, the collateral subject to a security interest pursuant to Division 9 (commencing with Section 9101) of the Commercial Code.

(4) "Purchase money security interest" means "purchase money security interest" as defined in Section 9107 of the Commercial Code.

(b) Except as provided in subdivisions (d) and (e), priority between a judgment lien on personal property and a conflicting security interest in the same personal property shall be determined according to this subdivision. Conflicting interests rank according to priority in time of filing or perfection. In the case of a judgment lien, priority dates from the time filing is first made covering the personal

property. In the case of a security interest, priority dates from the time a filing is first made covering the personal property or the time the security interest is first perfected, whichever is earlier, provided that there is no period thereafter when there is neither filing nor perfection.

(c) For the purposes of subdivision (b), a date of filing or perfection as to personal property is also a date of filing or perfection as to proceeds.

(d) A purchase money security interest has priority over a conflicting judgment lien on the same personal property or its proceeds if the purchase money security interest is perfected at the time the judgment debtor (as a debtor under the security agreement) receives possession of the personal property or within 10 days thereafter.

(e) If a purchase money security interest in inventory has priority over a judgment lien pursuant to subdivision (d) and a conflicting security interest has priority over the purchase money security interest in the same inventory pursuant to subdivision (3) of Section 9312 of the Commercial Code, the conflicting security interest also has priority over the judgment lien on the inventory subject to the purchase money security interest notwithstanding that the conflicting security interest would not otherwise have priority over the judgment lien.

(f) A judgment lien that has attached to personal property and that is also subordinate under subdivision (b) to a security interest in the same personal property is subordinate to the security interest only to the extent that the security interest secures advances made before the judgment lien attached or within 45 days thereafter or made without knowledge of the judgment lien or pursuant to a commitment entered into without knowledge of the judgment lien. For the purpose of this subdivision, a secured party shall be deemed not to have knowledge of a judgment lien on personal property until (1) the judgment creditor serves a copy of the notice of judgment lien on the secured party personally or by mail and (2) the secured party has knowledge of the judgment lien on personal property, as "knowledge" is defined in Section 1201 of the Commercial Code. If service on the secured party is by mail, it shall be sent to the secured party at the address shown in the financing statement or security agreement.

SEC. 21. Section 1985.3 of the Code of Civil Procedure is amended to read:

1985.3. (a) For purposes of this section, the following definitions apply:

(1) "Personal records" means the original or any copy of books, documents, or other writings pertaining to a consumer and which are maintained by any "witness" which is a physician, hospital, state or national bank, state or federal association (as defined in Section 5102 of the Financial Code), state or federal credit union, trust company, security brokerage firm, insurance company, underwritten title

company, attorney, accountant, institution of the Farm Credit System, as specified in Section 2002 of Title 12 of the United States Code, or telephone corporation which is a public utility, as defined in Section 216 of the Public Utilities Code.

(2) "Consumer" means any individual, partnership of five or fewer persons, association, or trust which has transacted business with, or has used the services of, the witness or for whom the witness has acted as agent or fiduciary.

(3) "Subpoenaing party" means the person or persons causing a subpoena duces tecum to be issued or served in connection with any civil action or proceeding pursuant to this code, but shall not include the state or local agencies described in Section 7465 of the Government Code, or any entity provided for under Article VI of the California Constitution in any proceeding maintained before an adjudicative body of that entity pursuant to Chapter 4 (commencing with Section 6000) of Division 3 of the Business and Professions Code.

(b) The date specified in a subpoena duces tecum for the production of personal records shall not be less than 15 days from the date the subpoena is issued. Prior to the date called for in the subpoena duces tecum for the production of personal records, the subpoenaing party shall serve or cause to be served on the consumer whose records are being sought a copy of the subpoena duces tecum, of the affidavit supporting the issuance of the subpoena, and of the notice described in subdivision (e). This service shall be made both:

(1) To the consumer personally, or at his or her last known address, or in accordance with Chapter 5 (commencing with Section 1010) of Title 14 of Part 2, or, if he or she is a party, to his or her attorney of record.

(2) Not less than 10 days prior to the date for production specified in the subpoena duces tecum, plus the additional time provided by Section 1013 if service is by mail.

(c) Prior to the production of the records, the subpoenaing party shall do either of the following:

(1) Serve or cause to be served upon the witness a proof of personal service or of service by mail attesting to compliance with subdivision (b).

(2) Furnish the witness a written authorization to release the records signed by the consumer or by his or her attorney of record. The witness may presume that any attorney purporting to sign the authorization on behalf of the consumer acted with the consent of the consumer.

(d) A subpoena duces tecum for the production of personal records shall be served in sufficient time to allow the witness a reasonable time to locate and produce the records or copies thereof.

Except as to records subpoenaed for a criminal proceeding or records subpoenaed during trial, a subpoena duces tecum served upon a witness with records in more than one location shall be served no less than 10 days prior to the date specified for production, unless good cause is shown pursuant to subdivision (g).

(e) Every copy of the subpoena duces tecum and affidavit served on a consumer or his or her attorney in accordance with subdivision (b) shall be accompanied by a notice, in a typeface designed to call attention to the notice, indicating that (1) records about the consumer are being sought from the witness named on the subpoena; (2) if the consumer objects to the witness furnishing the records to the party seeking the records, the consumer must file papers with the court prior to the date specified for production on the subpoena; and (3) if the party who is seeking the records will not agree in writing to cancel or limit the subpoena, an attorney should be consulted about the consumer's interest in protecting his or her rights of privacy. If a notice of taking of deposition is also served, that other notice may be set forth in a single document with the notice required by this subdivision.

(f) Any consumer whose personal records are sought by a subpoena duces tecum may, prior to the date for production, bring a motion under Section 1987.1 to quash or modify the subpoena duces tecum. Notice of the bringing of that motion shall be given to the witness prior to production. No witness shall be required to produce personal records after receipt of notice that the motion has been brought, except upon order of the court in which the action is pending or by agreement of the parties, witnesses, and consumers affected

(g) Upon good cause shown and provided that the rights of witnesses and consumers are preserved, a subpoenaing party shall be entitled to obtain an order shortening the time for service of a subpoena duces tecum or waiving the requirements of subdivision (b) where due diligence by the subpoenaing party has been shown.

(h) Nothing in this section applies to any subpoena duces tecum which does not request the records of any particular consumer or consumers and which requires a custodian of records to delete all information which would in any way identify any consumer whose records are to be produced.

(i) This section does not apply to proceedings conducted under Division 1 (commencing with Section 50), Division 4 (commencing with Section 3200), Division 4.5 (commencing with Section 6100), or Division 4.7 (commencing with Section 6200) of the Labor Code.

(j) Failure to comply with this section shall be a sufficient basis for the witness to refuse to produce the personal records sought by a subpoena duces tecum.

SEC. 22. Section 2037 of the Code of Civil Procedure is amended to read:

2037. Not later than the 10th day after a trial date is selected or 70 days prior to the date set for the commencement of trial, whichever is later, any party may serve on any party a demand to exchange lists of expert witnesses. The demand may also include a request to exchange each identified expert witness's reports and writings, as provided by Section 2037.3. Thereafter, the court may, upon motion and a showing of good cause, permit any party to serve

the demand upon any other party.

The demand shall include a statement in substantially the following form:

"You are requested to serve a list of expert witnesses in compliance with Section 2037 of the Code of Civil Procedure not later than the date of exchange thereby established. Except as otherwise provided in that article, your failure to do so will constitute a waiver of your right to call unlisted expert witnesses at the trial."

If a request to exchange reports and writings is included, the demand shall include an additional statement in substantially the following form:

"You are also requested to produce for inspection and copying, at the time and place set forth herein, all discoverable reports and writings of each identified expert witness's proposed testimony and preparations to testify."

The time and place for the inspection and copying of reports and writings shall be set forth in the demand and may be any reasonable time after the date of exchange as provided in Section 2037.1. At the time specified in the request to produce, the party who served the request and the party on whom the request was served shall each produce their discoverable reports and writings.

SEC. 23. The heading of Article 2 (commencing with Section 2520) of Chapter 12 of Part 2 of the Education Code is repealed.

SEC. 24. The heading of Article 7 (commencing with Section 5400) of Chapter 3 of Part 4 of the Education Code is repealed.

SEC. 25. The heading of Chapter 11 (commencing with Section 11000) of Part 7 of the Education Code is repealed.

SEC. 27. Section 15104 of the Education Code is repealed.

SEC. 28. Section 44857 of the Education Code is amended to read:

44857. Each person employed by the governing board of a school district for a position requiring certification qualifications shall, not later than 60 days after the date fixed by the governing board of the district for the commencement of the person's service, register, in the manner prescribed by Section 44330, a valid certification document issued on or before that date, authorizing the person to serve in the position for which he or she was employed, and shall, not later than 60 days after the renewal thereof, register the renewed certification document in the manner prescribed by Section 44330. If any person so employed is the holder of a California State University, or state teachers college, diploma accompanied by the certificate of the State Board of Education, or of an educational or life diploma of this state, and has presented the diploma to, and has had his or her name recorded by, the county superintendent of schools of the county, the person shall be deemed to have registered the diploma under Section 44330.

SEC. 29. Section 48915 of the Education Code is amended to read:

48915. (a) The principal or the superintendent of schools shall recommend a pupil's expulsion for any of the following acts, unless the principal or superintendent finds, and so reports in writing to the

governing board, that expulsion is inappropriate, due to the particular circumstance, which shall be set out in the report of the incident:

(1) Causing serious physical injury to another person, except in self-defense.

(2) Possession of any firearm, knife, explosive, or other dangerous object of no reasonable use to the pupil at school or at a school activity off school grounds.

(3) Unlawful sale of any controlled substance, as defined in Section 11007 of the Health and Safety Code, except for the sale of not more than one avoirdupois ounce of marijuana, other than concentrated cannabis.

(4) Robbery or extortion.

(b) Upon recommendation by the principal, superintendent of schools, or by a hearing officer or administrative panel appointed pursuant to subdivision (d) of Section 48918, the governing board may order a pupil expelled upon finding that the pupil violated subdivision (a), (b), (c), (d), or (e) of Section 48900.

(c) Upon recommendation by the principal, superintendent of schools, or by a hearing officer or administrative panel appointed pursuant to subdivision (d) of Section 48918, the governing board may order a pupil expelled upon finding that the pupil violated subdivision (f), (g), (h), (i), (j), (k), or (*l*) of Section 48900 and either of the following:

(1) That other means of correction are not feasible or have repeatedly failed to bring about proper conduct.

(2) That due to the nature of the violation, the presence of the pupil causes a continuing danger to the physical safety of the pupil or others.

SEC. 30. Section 49557 of the Education Code is amended to read:

49557. (a) The governing board of a school district and the county superintendent of schools shall make applications for free or reduced price meals available to students at all times during each regular schoolday. The application shall contain, in at least 8-point bold face type, each of the following statements:

(1) Applications for free and reduced price meals may be submitted at any time during a schoolday.

(2) Children participating in the National School Lunch Program will not be overtly identified by the use of special tokens, special tickets, special serving lines, separate entrances, separate dining areas, or by any other means.

A school district and the county superintendent of schools shall use all other applications it has for free or reduced price meals before utilizing the applications pursuant to this subdivision.

(b) The governing board of each school district and each county superintendent of schools shall formulate a plan, which shall be mailed to the State Department of Education for its approval, that will ensure that children eligible to receive free or reduced priced meals and milk shall not be treated differently from other children.

These plans shall ensure each of the following:

(1) The names of the children shall not be published, posted, or announced in any manner, or used for any other purpose other than the National School Lunch Program.

(2) There shall be no overt identification of any of the children by the use of special tokens or tickets or by any other means.

(3) The children shall not be required to work for their meals or milk.

(4) The children shall not be required to use a separate dining area, go through a separate serving line, enter the dining area through a separate entrance, or consume their meals or milk at a different time.

(c) When more than one lunch or breakfast or type of milk is offered pursuant to this article, the children shall have the same choice of meals or milk that is available to those children who pay the full price for their meal or milk.

SEC. 31. Section 51880 of the Education Code, as added by Chapter 1033 of the Statutes of 1983, is amended and renumbered to read:

51879.7. The Legislature finds that, given the great diversity of water recreation activities available statewide and the significant loss of life associated with those activities, there is a great need for an aquatic safety program in the state.

It is the intent of the Legislature in enacting this article that fundamental water safety training be provided for all the children of the state so that California's youth will be able to enjoy water recreation while avoiding its hazards.

SEC. 32. Section 51881 of the Education Code, as added by Chapter 1033 of the Statutes of 1983, is amended and renumbered to read:

51879.8. The Department of Boating and Waterways, in cooperation with the State Department of Education and other appropriate agencies, industry, and nonprofit organizations involved with water safety, shall develop an aquatic safety program which shall be made available for use at an appropriate grade level in public elementary schools, as determined by the Director of Boating and Waterways, at no expense to the schools. The aquatic education program shall include, but not be limited to, an audiovisual instructional aid and parental involvement materials. The Department of Boating and Waterways shall act as liaison between the schools and school districts and the industry and nonprofit organizations involved with water safety.

SEC. 33. Section 51882 of the Education Code, as added by Chapter 1033 of the Statutes of 1983, is amended and renumbered to read:

51879.9. Once developed, the Department of Boating and Waterways shall notify the schools and school districts of the availability of the aquatic safety program.

SEC. 34. Section 67300 of the Education Code, as added by

Section 1 of Chapter 903 of the Statutes of 1985, is amended to read:

67300. Services for disabled students provided by the California community colleges and the California State University shall, and services provided for the University of California may, at a minimum, conform to the level and quality of those services provided by the Department of Rehabilitation to its clients prior to July 1, 1981. However, nothing in this chapter requires the California community colleges, the California State University, or the University of California to provide the services for disabled students in the same manner as those services were provided by the Department of Rehabilitation.

The Board of Governors of the California Community Colleges and the Trustees of the California State University shall, for their respective systems, and the Regents of the University of California may, by January 15, 1982, adopt regulations to implement this chapter.

Notwithstanding any other provision of this section or Section 67301, blind students who are attending California community colleges under the sponsorship of the Department of Rehabilitation shall have all reader services provided directly by the Department of Rehabilitation. Reader services provided by the Department of Rehabilitation pursuant to this section shall be furnished in accordance with federal and state law.

This section shall remain in effect only until July 1, 1988, and as of that date is repealed, unless a later enacted statute, which is enacted prior to that date, deletes or extends that date.

SEC. 35. Section 67300 of the Education Code, as added by Section 2 of Chapter 903 of the Statutes of 1985, is amended to read:

67300. Services for disabled students provided by the California community colleges and the California State University shall, and services provided for the University of California may, at a minimum, conform to the level and quality of those services provided by the Department of Rehabilitation to its clients prior to July 1, 1981. However, nothing in this chapter requires the California community colleges, the California State University, or the University of California to provide the services for disabled students in the same manner as those services were provided by the Department of Rehabilitation.

The Board of Governors of the California Community Colleges and the Trustees of the California State University shall, for their respective systems, and the Regents of the University of California may, by January 15, 1982, adopt regulations to implement this chapter.

This section shall become effective on July 1, 1988, unless a later enacted statute, which is enacted prior to that date, deletes or extends that date.

SEC. 36. Section 69648.5 of the Education Code, as added by Chapter 609 of the Statutes of 1984, is amended and renumbered to read:

69648.7. (a) The board shall adopt rules and regulations establishing requirements for appropriate credentials to be held by extended opportunity programs and services professional faculty and staff paraprofessionals. The rules and regulations shall also establish, where appropriate, training standards for these faculty and staff.

(b) Persons employed in extended opportunity programs or services as faculty or staff shall be deemed to possess the appropriate credentials designated by the board under subdivision (a) if they have been employed in these positions for three consecutive years prior to the effective date of this section.

(c) The office of the Chancellor of the California Community Colleges may waive the credential requirements established under subdivision (a) if a person employed in extended opportunity programs or services has had three years of related work experience, or if there are other circumstances for which a waiver is appropriate.

SEC. 37. The heading of Article 4 (commencing with Section 84070) of Chapter 1 of Part 50 of the Education Code is repealed.

SEC. 38. The heading of Article 4.5 (commencing with Section 92045) of Chapter 1 of Part 57 of the Education Code is repealed.

SEC. 39. Section 92660 of the Education Code is repealed.

SEC. 40. Section 92660.5 of the Education Code is repealed.

SEC. 41. Section 92661 of the Education Code is repealed.

SEC. 42. Section 92667 of the Education Code is repealed.

SEC. 43. Section 451 of the Evidence Code is amended to read:

451. Judicial notice shall be taken of the following:

(a) The decisional, constitutional, and public statutory law of this state and of the United States and the provisions of any charter described in Section 3, 4, or 5 of Article XI of the California Constitution.

(b) Any matter made a subject of judicial notice by Section 11343.6, 11344.6, or 18576 of the Government Code or by Section 1507 of Title 44 of the United States Code.

(c) Rules of professional conduct for members of the bar adopted pursuant to Section 6076 of the Business and Professions Code and rules of practice and procedure for the courts of this state adopted by the Judicial Council.

(d) Rules of pleading, practice, and procedure prescribed by the United States Supreme Court, such as the Rules of the United States Supreme Court, the Federal Rules of Civil Procedure, the Federal Rules of Criminal Procedure, the Admiralty Rules, the Rules of the Court of Claims, the Rules of the Customs Court, and the General Orders and Forms in Bankruptcy.

(e) The true signification of all English words and phrases and of all legal expressions.

(f) Facts and propositions of generalized knowledge that are so universally known that they cannot reasonably be the subject of dispute.

SEC. 44. Section 12534 of the Food and Agricultural Code is amended to read:

12534. (a) Pursuant to this chapter, the director shall conduct a pesticide residue monitoring program for produce destined for processing to determine which pesticides are most likely to leave a residue and to what extent it is necessary to monitor the produce.

(b) The results of the program shall be made available to the State Director of Health Services to provide accurate information to better focus sampling priorities.

SEC. 45. Section 12582 of the Food and Agricultural Code is amended to read:

12582. The director shall immediately notify the State Director of Health Services by telephone, with immediate written confirmation, whenever a lot of produce destined for processing is found to be in violation of this chapter.

SEC. 46. Section 12608.5 of the Food and Agricultural Code is amended to read:

12608.5. Upon demand of the owner or person in rightful possession of the produce for permission to remove the produce destined for processing, the director shall release the produce to the custody of the State Director of Health Services.

SEC. 47. Section 3501 of the Government Code is amended to read:

3501. As used in this chapter:

(a) "Employee organization" means any organization which includes employees of a public agency and which has as one of its primary purposes representing those employees in their relations with that public agency.

(b) "Recognized employee organization" means an employee organization which has been formally acknowledged by the public agency as an employee organization that represents employees of the public agency.

(c) Except as otherwise provided in this subdivision, "public agency" means every governmental subdivision, every district, every public and quasi-public corporation, every public agency and public service corporation and every town, city, county, city and county and municipal corporation, whether incorporated or not and whether chartered or not. As used in this chapter, "public agency" does not mean a school district or a county board of education or a county superintendent of schools or a personnel commission in a school district having a merit system as provided in Chapter 5 (commencing with Section 45100) of Part 25 and Chapter 4 (commencing with Section 88000) of Part 51 of the Education Code or the State of California.

(d) "Public employee" means any person employed by any public agency, including employees of the fire departments and fire services of counties, cities, cities and counties, districts, and other political subdivisions of the state, excepting those persons elected by popular vote or appointed to office by the Governor of this state.

(e) "Mediation" means effort by an impartial third party to assist in reconciling a dispute regarding wages, hours and other terms and

conditions of employment between representatives of the public agency and the recognized employee organization or recognized employee organizations through interpretation, suggestion and advice.

SEC. 48. Section 3541.5 of the Government Code is amended to read:

3541.5. The initial determination as to whether the charges of unfair practices are justified, and, if so, what remedy is necessary to effectuate the purposes of this chapter, shall be a matter within the exclusive jurisdiction of the board. Procedures for investigating, hearing, and deciding these cases shall be devised and promulgated by the board and shall include all of the following:

(a) Any employee, employee organization, or employer shall have the right to file an unfair practice charge, except that the board shall not do either of the following:

(1) Issue a complaint in respect of any charge based upon an alleged unfair practice occurring more than six months prior to the filing of the charge.

(2) Issue a complaint against conduct also prohibited by the provisions of the agreement between the parties until the grievance machinery of the agreement, if it exists and covers the matter at issue, has been exhausted, either by settlement or binding arbitration. However, when the charging party demonstrates that resort to contract grievance procedure would be futile, exhaustion shall not be necessary. The board shall have discretionary jurisdiction to review the settlement or arbitration award reached pursuant to the grievance machinery solely for the purpose of determining whether it is repugnant to the purposes of this chapter. If the board finds that the settlement or arbitration award is repugnant to the purposes of this chapter, it shall issue a complaint on the basis of a timely filed charge, and hear and decide the case on the merits. Otherwise, it shall dismiss the charge. The board shall, in determining whether the charge was timely filed, consider the six-month limitation set forth in this subdivision to have been tolled during the time it took the charging party to exhaust the grievance machinery.

(b) The board shall not have the authority to enforce agreements between the parties, and shall not issue a complaint on any charge based on alleged violation of any agreement that would not also constitute an unfair practice under this chapter.

(c) The board shall have the power to issue a decision and order directing an offending party to cease and desist from the unfair practice and to take such affirmative action, including but not limited to the reinstatement of employees with or without back pay, as will effectuate the policies of this chapter.

SEC. 49. The heading of Article 4 (commencing with Section 4380) of Chapter 4 of Division 5 of Title 1 of the Government Code is repealed.

SEC. 50. Section 6254.2 of the Government Code, as added by

Chapter 106 of the Statutes of 1985, is amended and renumbered to read:

6254.25. Nothing in this chapter or any other provision of law shall require the disclosure of a memorandum submitted to the legislative body of a local agency by its legal counsel pursuant to Section 54956.9 until the pending litigation has been finally adjudicated or otherwise settled. The memorandum shall be protected by the attorney work-product privilege until the pending litigation has been finally adjudicated or otherwise settled.

SEC. 51. Section 7090 of the Government Code is amended to read:

7090. Notwithstanding Sections 32646 and 32647 of the Financial Code, a high priority in ranking loan applications by the State Assistance Fund for Energy, California Business and Development Corporation, shall be given to qualified businesses in a targeted economic development area or a neighborhood economic development area, or for any business located within an enterprise zone which is designated under any other provision of state law, purchasing or providing alternative energy systems.

SEC. 52. The heading of Chapter 26 (commencing with Section 7570) of Division 7 of Title 1 of the Government Code is amended and renumbered to read:

CHAPTER 26.5. INTERAGENCY RESPONSIBILITIES FOR PROVIDING SERVICES TO HANDICAPPED CHILDREN

SEC. 53. Section 7575 of the Government Code, as added by Chapter 193 of the Statutes of 1984, is amended and renumbered to read:

7590. Lavatories in restrooms of public facilities constructed after January 1, 1985, shall be equipped with all of the following:

(a) Outlet devices which limit the flow of hot water to a maximum of 0.5 gallons per minute (0.032 litres per second) or, be equipped with self-closing faucets that limit delivery to a maximum of 0.25 gallons (0.94 litres) of hot water for recirculating systems and to a maximum of 0.5 gallons (1.9 litres) for nonrecirculating systems.

(b) Devices which limit the outlet temperature to a maximum of 43°C (110°F).

Separate lavatories for physically handicapped persons shall not be equipped with self-closing faucets unless the faucets remain open for at least 10 seconds.

SEC. 54. The heading of Chapter 11 (commencing with Section 8855) of Division 1 of Title 2 of the Government Code is amended and renumbered to read:

CHAPTER 11.5. CALIFORNIA DEBT ADVISORY COMMISSION

SEC. 55. Section 10527.2 of the Government Code is amended to read:

10527.2. The Auditor General shall not have access to arrest records of the Department of Justice without the specific authorization of the Joint Legislative Audit Committee and the Attorney General. It is the intent of this section that the Attorney General comply with such a request if it is clear that the information is an essential element of an approved audit and the information will not be used for commercial or political purposes.

SEC. 56. Section 10549 of the Government Code is amended to read:

10549. Notwithstanding Section 19572, if the State Personnel Board determines that there is a reasonable basis for an alleged violation, or finds an actual violation, of Section 10543 or 19683, it shall transmit a copy of the investigative report to the Joint Legislative Audit Committee. All working papers pertaining to the investigative report shall be made available under subpoena in a civil action brought under Section 19683.

SEC. 57. Section 11010 of the Government Code is amended to read:

11010. When a state agency, supported from the General Fund, is required to collect from any person, firm, or corporation a proportionate share of the cost of providing any service, inspection, or audit, that share shall include:

(a) A proration of the cost to the state, as determined by the Department of General Services, of janitor service for the agency and of the charge for rent actually made for space occupied by the agency in a state-owned building or that would be charged that agency were it required to pay rent for that occupancy.

(b) A proration of the administrative costs of the agency, as defined in Section 11270.

(c) The pro rata share of the cost of insuring motor vehicles belonging to the state agency against liability for damages resulting from the ownership or operation of motor vehicles and arising under Article 1 (commencing with Section 17000) of Chapter 1 of Division 9 of the Vehicle Code or, in the discretion of the Director of General Services, an amount which he or she considers equivalent to that pro rata share to be expended by him or her in accordance with law in paying claims under that article and for their investigation, adjustment, defense and administration.

(d) The pro rata cost of workers' compensation insurance and bonds covering the officers and employees of the state agency.

(e) A proration of the state's retirement contribution for the employees engaged in providing the services, inspection or audit.

(f) A proration of the state's contribution toward the cost of medical and hospital care, including administrative costs, and the cost of procuring liability insurance coverage, for the employees engaged in providing the services, inspection or audit.

(g) A proration of the cost of the Attorney General's services rendered the agency.

(h) A proration of any other costs to the state for providing the

service, inspection or audit.

SEC. 58. Section 11019 of the Government Code, as added by Chapter 4 of the 1983–84 First Extraordinary Session, is repealed.

SEC. 59. Section 11346.52 of the Government Code is amended to read:

11346.52. The Department of Finance may review any estimate prepared pursuant to Section 11346.55 for content including, but not limited to, the data and assumptions used in its preparation.

SEC. 60. Section 14669 of the Government Code, as added by Chapter 106 of the Statutes of 1985, is amended and renumbered to read:

14769. (a) As used in this section:

(1) "Acquire" includes acquisition by gift, purchase, lease, eminent domain, or otherwise.

(2) "Public record plant" means the plant, or any part thereof, or any record therein, of any person engaged in the business of searching or publishing public records or insuring or guaranteeing titles to real property, including copies of public records and abstracts or memoranda taken from public records, which is owned by or in the possession of that person or which is used by that person in his or her business.

(b) If public records of any state agency have been lost or destroyed by conflagration or other public calamity, the director may acquire the right to reproduce any portion of a public record plant as is necessary for the purpose of restoring or replacing the records or their substance.

SEC. 61. The heading of Article 4 (commencing with Section 14825) of Chapter 6 of Part 5.5 of Division 3 of Title 2 of the Government Code is amended and renumbered to read:

CHAPTER 6. CALIFORNIA STATE CONTRACTS REGISTER

SEC. 62. Section 15325 of the Government Code is amended to read:

15325. The work of the department shall be divided into the following five offices:

(a) The Office of Economic Research.

(b) The Office of Local Development.

(c) The Office of Business Development.

(d) The Office of Tourism.

(e) The Office of Small Business.

SEC. 63. Section 15333 of the Government Code is amended to read:

15333. The Office of Business Development shall perform the following functions and activities:

(a) Represent the Secretary of the Business, Transportation and Housing Agency in establishing clear lines of communication with California business.

(b) Advise the director on the problems and concerns of the

business community, particularly those unique to California's small businesses.

(c) Review recommendations from the business community and advise the director on proposals affecting business conditions in California.

(d) Act as liaison between the business community and all departments of state government on issues affecting business development and insure that the findings and recommendations of each department are reported to the director.

(e) Cooperate with public and private agencies engaged in promoting and encouraging the location and development of new businesses in the state as well as the maintaining and expanding of existing businesses.

(f) Aid business concerns in their relationships with appropriate federal and state agencies such as procurement and lending agencies and the Small Business Administration.

(g) Market California as a cost-effective and advantageous place for businesses to locate or expand. This subdivision shall not be construed to require any local government to participate, except in a voluntary manner, in this program.

SEC. 64. Section 15335.5 of the Government Code, as added by Chapter 1639 of the Statutes of 1984, is amended and renumbered to read:

15335.20. There is within the Department of Commerce a California Film Office. The office shall have a director who shall be under the direction of the Director of Commerce and who shall also be an Assistant Director of the Department of Commerce. The director shall be appointed, upon recommendation by the Director of Commerce, by the Governor. The director shall serve at the pleasure of the Director of Commerce and shall receive a salary to be determined by the Director of Commerce with the approval of the Department of Personnel Administration.

SEC. 65. Section 15335.5 of the Government Code, as added by Chapter 106 of the Statutes of 1985, is amended and renumbered to read:

15335.21. The California Film Office shall prepare and implement a program to promote the production of motion pictures and still photography for the benefit of the state's economy.

The program shall do, but shall not be limited to doing, all of the following:

(a) Administer a one-stop permit office, pursuant to subdivision (c) of Section 14998.6, which shall issue permits for the use of state property for filmmaking.

(b) Implement the guidelines or regulations for a standardized permit procedure for all state agencies pursuant to guidelines adopted by the Motion Picture Council under Section 14998.4.

(c) Update and expand the location resource library.

(d) Produce and implement a marketing and promotion plan for filmmaking in California which shall be subject to the approval of the

Motion Picture Council. The purpose of the plan shall be to design a program for the preparation and distribution of appropriate promotional and informational materials pointing out desirable locations within the state for the production of motion pictures, explaining the benefits and advantages of producing motion pictures within the state government, as well as those services available at the local level and within the industry.

(e) Conduct workshops to assist local governments to adopt uniform permit procedures and to establish film development offices.

(f) Request and obtain any information from state entities necessary to carry out the purposes of this section.

(g) Accept grant moneys for the purpose of implementing this section.

(h) Accept gifts and donations for the purpose of implementing this section.

SEC. 66. Section 15355 of the Government Code is amended to read:

15355. The Director of Commerce, in cooperation with the advisory committee created pursuant to Section 15355.5, shall prepare and update an industrial marketing plan which shall contain all of the following:

(a) Identification of the industries, industry segments, geographic regions, or other groups and factors to be targeted by the marketing program.

(b) A listing of the themes or advertising messages to be presented to the target audiences.

(c) Identification of the means to be used to communicate information to the target groups. Possible communication mechanisms may include personal contact, direct mail, publication dissemination, trade show attendance, and print media and radio advertising.

(d) Summary of the market research upon which the development of the marketing plan was based.

(e) Methods to be used to test the effectiveness of the program.

(f) An expenditure and implementation plan which specifies the costs and timetable for carrying out the proposed marketing program.

SEC. 67. Section 15382 of the Government Code is amended to read:

15382. For the purposes of this chapter:

(a) "SBDC" means a Small Business Development Center as defined by federal Public Law 96-302.

(b) "SBDC plan" means the plan required by the federal Small Business Administration pursuant to federal Public Law 96-302.

(c) "CSBDC" means the California Small Business Development Center, the administrative unit of the program.

(d) "Local service centers" means branch centers or service delivery units.

(e) "Lead organization" means the Department of Commerce which is the formal applicant for the Small Business Development Center program pursuant to federal Public Law 96-302.

SEC. 68. Section 15384 of the Government Code is amended to read:

15384. There is hereby created within the department a California Small Business Development Center. The CSBDC shall be administered according to the SBDC plan. The department shall develop an SBDC plan for submission to the federal Small Business Administration. The SBDC plan shall be developed by the department with the assistance of the following:

(a) The Office of Small Business within the Department of Commerce.

(b) The Office of Small and Minority Business within the Department of General Services.

(c) The Employment Development Department.

(d) The Chancellor of the California Community Colleges.

(e) The Chancellor of the California State University.

(f) The President of the University of California.

(g) The California Private Industry Councils.

(h) The Chairpersons of the Assembly Select Committee on Small Business, the Senate Select Committee on Small Business Enterprises, the Assembly Committee on Economic Development and New Technologies, and the Joint Committee on the State's Economy.

The department may also solicit assistance from any other private, state, local, or federal entity which assists small businesses.

SEC. 69. Section 15385 of the Government Code is amended to read:

15385. In accordance with the plan developed pursuant to Sections 15383 and 15384, the Director of the CSBDC shall be appointed, upon the recommendation by the Director of Commerce, by the Governor. The director shall hold office at the pleasure of the Governor, and shall receive a salary as shall be fixed by the Director of Commerce with the approval of the Department of Personnel Administration.

The services to be provided by the local service centers as defined in the SBDC plan may be performed by independent contractors or by interagency agreements with public institutions, as designated by the CSBDC.

SEC. 70. Section 15972 of the Government Code is amended to read:

15972. The Director of Transportation shall contract for a study of the insurance problems of existing social service transportation services. The Department of Transportation and the Department of Insurance shall cooperate with the Director of Transportation in contracting for the study. The study shall specify the reasons for high insurance rates charged to social service agencies for transportation purposes. The study shall include, but not be limited to, an evaluation

of the accident history of these services and the relationship of the accident history to insurance rates, and the cost of liability insurance provided by insurance companies and the relationship of the cost to actual liability claims filed against the social service transportation services agencies. The report of the study shall make specific recommendations regarding changes in state law which would assist in reduction of the high costs of insurance and resolve the problem of insurance availability. The study shall be coordinated with efforts of the Social Service Transportation Task Force. Funding for this study shall be provided pursuant to Section 15980.

SEC. 71. Section 15973 of the Government Code is amended to read:

15973. The transportation planning agencies and the county transportation commissions shall prepare, adopt, and submit reports to the Director of Transportation on all existing social services transportation services in their respective geographic areas. Funding for these reports shall be provided from local transportation funds made available under the Mills-Alquist-Deddeh Act (Chapter 4 (commencing with Section 99200), Part 11, Division 10 of the Public Utilities Code). The reports shall include, but not be limited to, the following:

(a) An inventory of all existing public and private social service transportation services within its geographic area of jurisdiction. A description of the amount and source of funds utilized by the service, the geographic coverage of the service, and the type and number of social service recipients being served.

(b) A concise statement on the drivers and management of the service, with an evaluation of the operating, capital, and administrative costs for the service.

(c) A synopsis of the average miles of vehicle travel to provide services during each month and a brief analysis of the eligibility requirements for obtaining the service.

(d) A description of the background of the service in the community and any other pertinent information necessary to adequately document and describe the service.

SEC. 72. Section 15975 of the Government Code is amended to read:

15975. Upon completion of the report required pursuant to Section 15973, the transportation planning agencies and the county transportation commissions shall prepare, adopt, and submit an action plan to the Director of Transportation, not later than December 31, 1981, that describes in detail the steps required to accomplish the consolidation of social service transportation services. The action plan shall substantiate that one or more of the benefits indicated in Sections 15951 and 15952 are feasible for the services in a given geographic area. The action plan shall include, but not be limited to, the following:

(a) The designation of consolidated transportation service agencies within the geographic area of jurisdiction of the

transportation planning agency or county transportation commission. The action plan may designate more than a single agency or multiple agencies as consolidated transportation service agencies, if improved coordination of all services is demonstrated within the geographic area.

The action plan may also specify that the consolidation of some services and the coordination of other services is the most feasible approach, at the time the action plan is submitted, which will provide improved efficiency and effectiveness of those services.

(b) The identification of the social service recipients to be served, of funds available for use by the consolidated or coordinated services, and of an orderly strategy and schedule detailing the steps required to develop the financial program and management structure necessary to implement consolidated or coordinated services.

(c) Measures to coordinate the services provided under subdivision (a) with existing fixed route service provided by public and private transportation providers.

(d) Measures to insure that the objectives of the action plan are consistent with the legislative intent declared in Section 15951.

SEC. 73. Section 15980 of the Government Code is amended to read:

15980. The Director of Transportation shall be responsible for generally monitoring the implementation of this part and submitting a report to the Governor and Legislature on January 1, 1981, and January 1, 1982, on significant problems or issues that arise concerning implementation of this part. The report shall include recommendations for resolution of the problems or issues, including necessary changes in federal or state law. The funds for administration and monitoring of this program by the Director of Transportation shall be funded by funds made available for that purpose from federal funds, but if federal funds are not available for this purpose, the sum of one hundred eighty thousand dollars ($180,000), ninety-five thousand dollars ($95,000) for the 1979–80 fiscal year and eighty-five thousand dollars ($85,000) for the 1980–81 fiscal year, is hereby appropriated to the Director of Transportation from the State Transportation Planning and Development Account in the State Transportation Fund.

To assist in monitoring the implementation of this part, the Director of Transportation shall convene and act as the Chairman of the Social Service Transportation Task Force consisting of the Secretary of the Health and Welfare Agency, the Director of Finance, a representative of a private for-profit social service transportation provider, a representative of a private nonprofit social service transportation provider, a representative of public transit operators, a representative of the County Supervisors Association of California, a representative of the League of California Cities, and two representatives of the transportation planning agencies, one from a rural area of the state and one from an urban area of the state, two representatives of county transportation commissions, one from

a rural area of the state and one from an urban area of the state, a representative of an elderly group, and a representative of a handicapped group. The task force shall meet, as necessary, to discuss issues of concern and to coordinate state and local implementation activities.

SEC. 74. Section 15981 of the Government Code is repealed.

SEC. 75. Section 15982 of the Government Code is amended to read:

15982. (a) Any social service transportation provider may request an exemption from coordination or consolidation as required under the action plan. The request for exemption shall be submitted to the Director of Transportation, who shall render a decision within 60 days after receiving the request. If the Director of Transportation denies the request, it shall be forwarded to the California Transportation Commission, which shall render a decision within 60 days after receiving it.

The request for exemption shall be granted if, on the basis of information submitted with the request, the Director of Transportation or the commission, as the case may be, finds that the effectiveness of the social transportation service provided the recipients would be impaired by consolidation or coordination.

(b) The Director of Transportation shall work closely with the Social Service Transportation Task Force to adequately inform social service program managers about these requirements well in advance of the deadlines outlined in this section.

(c) The commission shall periodically review, as it deems necessary, the performance of the designated agencies to determine compliance with the action plans and conditions for approval.

SEC. 76. Section 16304.6 of the Government Code is amended to read:

16304.6. Within the time during which the appropriation is available for expenditure, the State Board of Control at the request of the director of the department concerned and with the approval of the Director of Finance, may authorize that unneeded funds in any appropriation for the support of an institution, school, or college or for family care or private home care or for parole supervision activities within any of the following departments shall be available and be deemed appropriated for the support of any institution, school, or college or for family care or private home care or for parole supervision activities within the same department:

(a) Department of Corrections.

(b) Department of the Youth Authority.

(c) State Department of Education.

(d) State Department of Mental Health.

SEC. 77. Section 17622 of the Government Code is amended to read:

17622. The commission, within 10 days after receipt of the first claim based upon a statute or executive order, shall set a date for public hearing on the claim within a reasonable time. The claim shall

be submitted in a form prescribed by the commission. After a hearing in which any state agency, the affected local agency or school district, and any other interested parties may participate, the commission, if it determines there is a cost savings authorized by the state, shall adopt parameters and guidelines for identifying all cost savings realized by local agencies or school districts relating to the statute or executive order. These parameters and guidelines shall provide for an offset between the cost savings authorized by the state and the reasonable costs of preparing the reports required by Section 17623. A local agency, school district, and the state may file a claim or request with the commission to amend, modify, or supplement parameters and guidelines. The commission may, after public notice and hearing, amend, modify, or supplement the parameters and guidelines.

SEC. 78. The heading of Article 5 (commencing with Section 18990) is added to Chapter 5 of Part 2 of Division 5 of Title 2 of the Government Code, immediately preceding Section 18990 thereof, to read:

Article 5. Legislative Employees

SEC. 79. Section 19822.5 of the Government Code, as amended by Chapter 236 of the Statutes of 1985, is amended and renumbered to read:

19822.6. There is hereby established a Child Care Fund to which funds shall be allocated from the amount appropriated in the annual Budget Act for employee compensation. The Child Care Fund shall be used to encourage development of child care programs for dependent children of state employees. These programs may include financial assistance to aid in the development of child care centers administered by either nonprofit corporations formed by state employees or other child care providers.

The Child Care Fund shall be administered by the Department of Personnel Administration.

Upon the determination of the department, the funding shall include, but not be limited to, cash grants.

The amount to be allocated and expended annually, from the funds available for compensation increases, shall be determined by the department. Notwithstanding Section 13340, the Child Care Fund shall be available for expenditure without regard to fiscal years through June 30, 1991, unless otherwise extended by statute enacted prior to that date.

SEC. 80. Section 23150 of the Government Code is amended to read:

23150. The boundaries of Stanislaus County are as follows:

Beginning at the common corner of Stanislaus, Santa Clara, Alameda, and San Joaquin, on the summit of Mount Boardman, of the Mount Diablo Range, as shown on the survey and map of Wallace and Stakes, May, 1868; thence southeasterly, on the summit line of that

range, being the eastern line of Santa Clara, to the northwest corner of Merced, forming the southwest corner of Stanislaus, as established by the survey and map of A. J. Stakes, July, 1868; thence northeasterly, on the line as established by that survey, to the junction of the Merced and San Joaquin Rivers; thence down the San Joaquin seven miles; thence in a direct line a little north of east to a monument established by the survey of A. J. Stakes, being on the summit of the ridge between Merced and Stanislaus, and marking the common corner of Tuolumne, Merced, Mariposa, and Stanislaus; thence northwesterly, in a direct line, and crossing the Stanislaus River, to the monument established by the survey and map of George E. Drew, May, 1860, on the north bank of the Stanislaus River; thence northwesterly, on the line of that survey, to its intersection with the western line of R. 10 E., M. D. M., which point is marked by a monument establishing the north corner of Stanislaus County; then south, on that range line, to the Stanislaus River; thence down the latter to its mouth in the San Joaquin River; thence southwesterly on the line as surveyed and mapped by Wallace and Stakes, May, 1868, to the place of beginning.

SEC. 81. Section 23285 of the Government Code is amended to read:

23285. Whenever county boundaries are changed pursuant to this article, the board of supervisors of both affected counties shall cause to be filed before the following January 1, with the State Board of Equalization and with the assessors of both affected counties, a statement setting forth the legal description of the boundaries, as changed, together with a map or plat indicating those boundaries. The change of the boundaries shall not be effective for purposes of assessment or taxation unless the statement, together with the map or plat required by this section, is filed with the county assessors and with the State Board of Equalization on or before January 1 of the year in which the assessments or taxes are to be levied.

SEC. 82. Section 23358 of the Government Code is amended to read:

23358. If more than one argument for or more than one argument against creation of the proposed county is filed with the clerk of the principal county the clerk shall select one of the arguments for and one of the arguments against creation of the proposed county for printing and distribution to the electors.

In selecting arguments, the clerk shall give preference and priority in the order specified to arguments submitted by the following:

(a) The board of supervisors of an affected county, or any member or members of the board authorized by it.

(b) The city council of any city located within an affected county, or any member or members of the council authorized by it.

(c) Qualified electors or bona fide associations of citizens, or combinations of electors and associations.

SEC. 83. The heading of Article 8 (commencing with Section 25730) of Chapter 7 of Division 2 of Title 3 of the Government Code

is amended and renumbered to read:

Article 8.5. Electric Power

SEC. 84. Section 27556 of the Government Code is amended and renumbered to read:

27756. Notwithstanding Section 903.4 of the Welfare and Institutions Code, in any county where the board of supervisors has designated a county financial evaluation officer, the county financial evaluation officer shall make financial evaluations of parental liability for reimbursements and other court-ordered costs pursuant to Sections 903, 903.1, 903.2, 903.3, and 903.45 of the Welfare and Institutions Code, as directed by the board of supervisors, or as established by order of the juvenile court, and may enforce the court order as any other civil judgment, including any balance remaining unpaid after jurisdiction of the minor has terminated.

SEC. 85. Section 31648.3 of the Government Code, as added by Chapter 1403 of the Statutes of 1984, is amended and renumbered to read:

31648.4. In any county in which the board of supervisors has entered into an agreement as permitted by Section 20569.2, the governing body of the contracting agency from which the employees were transferred or the governing body of the district or the county service area to which the employees were transferred may pay all or part of the cost, as determined by the board, of the liabilities which were assumed by the county system under Section 20569 and which exceed the value of the cash or securities of both transferred by the Public Employees' Retirement System to the county system. The governing bodies of the contracting agency and of the district or the county service area may determine the proportion of the liabilities each pays.

SEC. 86. Section 35155.5 of the Government Code is amended and renumbered to read:

56840.5. If the report filed pursuant to Section 56833 indicates that more than 50 percent of the land proposed for incorporation is owned by or dedicated to the use of a city or county and that the proposed incorporation would result in a revenue loss to that city or county, and at the hearing held pursuant to Section 56840 the board of supervisors of the county or city council of the city presents a resolution objecting to the incorporation, no further proceedings shall be conducted by the commission and no new proposal involving incorporation of substantially the same territory shall be initiated for one year.

In the absence of a resolution of objection from a city or county, the commission may approve the proposal only if it imposes as a condition thereto that the newly incorporated city may not adopt any regulation or policy which would have a negative fiscal impact on any contract existing at the time of the incorporation which is related to the publicly owned land.

This section shall not preclude the completion of proceedings to incorporate territory which is the subject of incorporation proceedings filed with the executive officer of the commission prior to February 15, 1986.

SEC. 87. Section 53075 of the Government Code, as added by Chapter 1260 of the Statutes of 1983, is amended and renumbered to read:

53075.5. (a) Notwithstanding Chapter 8 (commencing with Section 5351) of Division 2 of the Public Utilities Code, every city or county shall protect the public health, safety, and welfare by adopting an ordinance or resolution in regard to taxicab transportation service rendered in vehicles designed for carrying not more than eight persons, excluding the driver, which is operated within the jurisdiction of the city or county.

(b) Each city or county shall provide for, but is not limited to providing for, the following:

(1) A policy for entry into the business of providing taxicab transportation service.

(2) The establishment or registration of rates for the provision of taxicab transportation service.

(c) Each city or county may levy service charges, fees, or assessments in an amount sufficient to pay for the costs of carrying out an ordinance or resolution adopted in regard to taxicab transportation services pursuant to this section.

SEC. 88. Section 53635.5 of the Government Code, as amended by Chapter 983 of the Statutes of 1985, is amended and renumbered to read:

53635.6. The purchase by a local agency of any investment authorized pursuant to Section 53635, not purchased directly from the issuer, shall be purchased either from an institution licensed by the state as a broker-dealer, as defined in Section 25004 of the Corporations Code, or from a member of a federally regulated securities exchange, from a national or state-chartered bank, from a federal or state association, or from a brokerage firm designated as a primary government dealer by the Federal Reserve Bank.

SEC. 89. Section 53637 of the Government Code, as amended by Chapter 983 of the Statutes of 1985, is amended to read:

53637. The money shall be deposited in any depository selected from those banks and those associations agreeing to pay the highest rate of interest.

SEC. 90. Section 53638 of the Government Code, as amended by Chapter 983 of the Statutes of 1985, is amended to read:

53638. (a) The deposit shall not exceed the total of the paid-up capital and surplus of any depository bank. For the purposes of this subdivision, paid-up capital shall be deemed to include capital notes and debentures.

(b) The deposit shall not exceed the total of the net worth of any depository association, except that deposits not exceeding a total of five hundred thousand dollars ($500,000) may be made to a savings

and loan association without regard to the net worth of that depository, if the deposits are insured or secured as required by law.

SEC. 91. Section 53639 of the Government Code is amended to read:

53639. Except as otherwise provided in Section 53682, the depository shall bear the expenses of transportation of money to and from the depository.

SEC. 92. Section 53640 of the Government Code is amended to read:

53640. Except as otherwise provided in Section 53682, the depository shall handle, collect, and pay all checks, drafts, and other exchange without cost to the local agency.

SEC. 93. Section 53641 of the Government Code is amended to read:

53641. When money is deposited in a depository, the treasurer or other authorized official shall take and preserve a receipt, certificate of deposit, or other evidence of the deposit as he or she requires.

SEC. 94. Section 53643 of the Government Code is amended to read:

53643. The treasurer may deposit any part of the money as agreed upon between the treasurer and the depository.

SEC. 95. Section 53645 of the Government Code is amended to read:

53645. Interest shall be computed by the depository on the average daily balances of the money on deposit, paid quarterly and computed on a 360-day basis.

SEC. 96. Section 53650 of the Government Code is amended to read:

53650. Upon the removal by federal law of the conflicting federal law or rule the agreement between the treasurer or other authorized official and a depository may be terminated by either party.

SEC. 97. Section 54957.6 of the Government Code is amended to read:

54957.6. (a) Notwithstanding any other provision of law, a legislative body of a local agency may hold closed sessions with the local agency's designated representatives regarding the salaries, salary schedules, or compensation paid in the form of fringe benefits of its represented and unrepresented employees. Closed sessions of a legislative body of a local agency, as permitted in this section, shall be for the purpose of reviewing its position and instructing the local agency's designated representatives. Closed sessions, as permitted in this section, may take place prior to and during consultations and discussions with representatives of employee organizations and unrepresented employees.

For the purposes enumerated in this section, a legislative body of a local agency may also meet with a state conciliator who has intervened in the proceedings.

(b) In addition to the closed sessions authorized by subdivision (a), the legislative body, as defined by Sections 54952, 54952.2,

54952.3, and 54952.5, of a public agency, as defined by subdivision (c) of Section 3501, may hold closed sessions with its designated representatives on mandatory subjects within the scope of representation of its represented employees, as determined pursuant to Section 3504.

SEC. 98. Section 57075.5 of the Government Code is amended to read:

57075.5. Notwithstanding Section 57075, if territory proposed to be annexed to a city with more than 100,000 residents is inhabited and is located in a county with a population of over 4,000,000, the conducting authority, not more than 30 days after conclusion of the hearing, shall adopt a resolution making a finding regarding the value of written protests filed and not withdrawn and shall take one of the following actions:

(a) Terminate proceedings if written protests have been filed and not withdrawn by 50 percent or more of the registered voters within the affected territory.

(b) Order the territory annexed subject to the confirmation by the voters on the question, and call a special election and submit to the voters residing within the affected territory the question of whether it shall be annexed to the city, if written protests have been filed and not withdrawn by either 15 percent or more of the registered voters within the territory, or 15 percent or more of the number of owners of land who also own not less than 15 percent of the total assessed value of land within the territory.

(c) Order the territory annexed without an election if written protests have been filed and not withdrawn by less than 15 percent of the registered voters within the territory and less than 15 percent of the owners of land who own less than 15 percent of the total assessed value of land within the territory.

SEC. 99. Section 66700 of the Government Code is amended to read:

66700. This chapter and Chapter 2 (commencing with Section 66770) shall be known and cited as the Nejedly-Z'berg-Dills Solid Waste Management and Resource Recovery Act of 1972.

SEC. 100. Section 66714.9 of the Government Code, as added by Chapter 1488 of the Statutes of 1982, is repealed. The repeal made by this section shall not affect the existence or validity of Section 66714.9 of the Government Code, as added by Chapter 1468 of the Statutes of 1982.

SEC. 101. Section 71603.5 of the Government Code, as added by Chapter 1253 of the Statutes of 1983, is amended and renumbered to read:

71603.7. The Shasta County Board of Supervisors by ordinance or resolution may designate the county sheriff as ex officio constable of one or more of the justice court judicial districts in Shasta County. The sheriff and deputy sheriffs shall serve each justice court affected by such a designation without additional compensation.

SEC. 102. Section 1202 of the Harbors and Navigation Code is

amended to read:

1202. Public hearings for the purpose of investigating pilotage rates shall be conducted in accordance with the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code) and a full record shall be kept of all evidence offered.

SEC. 103. Section 113 of the Health and Safety Code is amended to read:

113. (a) The fees or charges for the issuance or renewal of any permit, license, or registration pursuant to Sections 436.53, 527, 1616, 1676, 1677, 4042, 4042.2, 4042.3, 11887, 25198.7, 25694, 25696, 25697, 25816, 25817, 26688, 27010, 27011, 28126, 28410, 28411, and 28702 shall be adjusted annually by the percentage change printed in the Budget Act for those items appropriating funds to the department. After the first annual adjustment of fees or charges pursuant to this section, the fees or charges subject to subsequent adjustment shall be the fees or charges for the prior calendar year. The percentage change shall be determined by the Department of Finance, and shall include at least the total percentage change in salaries and operating expenses of the department. However, the total increase in amounts collected under this section shall not exceed the total increased cost of the program or service provided.

(b) The department shall publish annually a list of the actual numerical fee charges for each permit, license, certification, or registration governed by this section. This adjustment of fees and publication of the fee list shall not be subject to the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

SEC. 104. Section 1271 of the Health and Safety Code, as added by Chapter 10 of the Statutes of 1985, is repealed. The repeal made by this section shall not affect the existence or validity of Section 1271 of the Health and Safety Code, as added by Chapter 11 of the Statutes of 1985.

SEC. 105. Article 2.5 (commencing with Section 1272) of Chapter 2 of Division 2 of the Health and Safety Code, as added by Chapter 10 of the Statutes of 1985, is repealed. The repeal made by this section shall not affect the existence or validity of Article 2.5 (commencing with Section 1272) of Chapter 2 of Division 2 of the Health and Safety Code, as added by Chapter 11 of the Statutes of 1985.

SEC. 106. Section 1339.5 of the Health and Safety Code is amended to read:

1339.5. As used in this article, unless otherwise indicated:

(a) "Health systems agency" means a health systems agency established pursuant to Public Law 93-641.

(b) "Primary care mid-level health practitioner" means a physician assistant certified pursuant to Chapter 7.7 (commencing with Section 3500) of Division 2 of the Business and Professions Code and also means a registered nurse who meets the standards for a nurse practitioner adopted pursuant to Article 8 (commencing with

Section 2834) of Chapter 6 of Division 2 of the Business and Professions Code, and also means a nurse midwife certified pursuant to Article 2.5 (commencing with Section 2746) of Chapter 6 of Division 2 of the Business and Professions Code.

(c) "Swing bed" means beds licensed for general acute care pursuant to Section 1250.1 which may, subject to the provisions of this article, be used as skilled nursing beds, as classified in Section 1250.1. Swing beds shall retain the general acute care bed classification, for the purposes of Part 1.5 (commencing with Section 437.01) of Division 1.

SEC. 107. Section 1418.2 of the Health and Safety Code, as added by Chapter 10 of the Statutes of 1985, is repealed. The repeal made by this section shall not affect the existence or validity of Section 1418.2 of the Health and Safety Code, as added by Chapter 11 of the Statutes of 1985.

SEC. 108. Section 1418.6 of the Health and Safety Code, as added by Chapter 10 of the Statutes of 1985, is repealed. The repeal made by this section shall not affect the existence or validity of Section 1418.6 of the Health and Safety Code, as added by Chapter 11 of the Statutes of 1985.

SEC. 109. Section 1424.1 of the Health and Safety Code, as added by Chapter 10 of the Statutes of 1985, is repealed. The repeal made by this section shall not affect the existence or validity of Section 1424.1 of the Health and Safety Code, as added by Chapter 11 of the Statutes of 1985.

SEC. 110. Section 1427 of the Health and Safety Code, as added by Chapter 10 of the Statutes of 1985, is repealed. The repeal made by this section shall not affect the existence or validity of Section 1427 of the Health and Safety Code, as added by Chapter 11 of the Statutes of 1985.

SEC. 111. Section 1428.1 of the Health and Safety Code, as added by Chapter 10 of the Statutes of 1985, is repealed. The repeal made by this section shall not affect the existence or validity of Section 1428.1 of the Health and Safety Code, as added by Chapter 11 of the Statutes of 1985.

SEC. 112. Section 1430.5 of the Health and Safety Code, as added by Chapter 10 of the Statutes of 1985, is repealed. The repeal made by this section shall not affect the existence or validity of Section 1430.5 of the Health and Safety Code, as added by Chapter 11 of the Statutes of 1985.

SEC. 113. Section 1439.5 of the Health and Safety Code, as added by Chapter 10 of the Statutes of 1985, is repealed. The repeal made by this section shall not affect the existence or validity of Section 1439.5 of the Health and Safety Code, as added by Chapter 11 of the Statutes of 1985.

SEC. 114. Section 1439.7 of the Health and Safety Code, as added by Chapter 10 of the Statutes of 1985, is repealed. The repeal made by this section shall not affect the existence or validity of Section 1439.7 of the Health and Safety Code, as added by Chapter 11 of the

Statutes of 1985.

SEC. 115. Section 1439.8 of the Health and Safety Code, as added by Chapter 10 of the Statutes of 1985, is repealed. The repeal made by this section shall not affect the existence or validity of Section 1439.8 of the Health and Safety Code, as added by Chapter 11 of the Statutes of 1985.

SEC. 116. Section 1502 of the Health and Safety Code is amended to read:

1502. As used in this chapter:

(a) "Community care facility" means any facility, place, or building which is maintained and operated to provide nonmedical residential care, day treatment, adult day care, or homefinding agency services for children, adults, or children and adults, including but not limited to, the physically handicapped, mentally impaired, incompetent persons, and abused or neglected children, and includes the following:

(1) "Residential facility" means any family home, group care facility, or similar facility determined by the director, for 24-hour nonmedical care of persons in need of personal services, supervision, or assistance essential for sustaining the activities of daily living or for the protection of the individual.

(2) "Adult day care facility" means any facility which provides nonmedical care to persons 18 years of age or older in need of personal services, supervision, or assistance essential for sustaining the activities of daily living or for the protection of the individual on less than a 24-hour basis.

(3) "Day treatment facility" means any facility which provides nonmedical care, counseling, educational or vocational support, or social rehabilitation services on less than a 24-hour basis to persons under 18 years of age who would otherwise be placed in foster care or who are returning to families from foster care. Program standards for these facilities shall be developed by the department, pursuant to Section 1530, in consultation with day treatment and foster care providers.

(4) "Homefinding agency" means any individual or organization engaged in finding homes or other places for placement of persons of any age for temporary or permanent care or adoption.

(5) "Foster family home" means any residential facility providing 24-hour care for six or fewer foster children which is owned, leased, or rented and is the residence of the foster parent or parents, including their family, in whose care the foster children have been placed. Such placement may be by a public or private child placement agency or by a court order, or by voluntary placement by a parent, parents, or guardian.

(6) "Small family home" means any residential facility providing 24-hour care for six or fewer foster children who have mental disorders or developmental or physical disabilities and who require special care and supervision as a result of their disabilities.

(7) "Social rehabilitation facility" means any residential facility

which provides social rehabilitation services for no longer than 18 months in a group setting to adults recovering from mental illness who temporarily need assistance, guidance, or counseling. Program components shall be subject to program standards pursuant to Section 5458.1 of the Welfare and Institutions Code.

(8) "Community treatment facility" means any residential facility which provides mental health treatment services to children in a group setting. Program components shall be subject to program standards developed by the State Department of Mental Health pursuant to Section 5405 of the Welfare and Institutions Code.

Nothing in this section shall be construed to prohibit or discourage placement of persons who have mental or physical disabilities into any category of community care facility that meets the needs of the individual placed, if the placement is consistent with the licensing regulations of the department.

(b) "Department" or "state department" means the State Department of Social Services.

(c) "Director" means the Director of Social Services.

SEC. 117. Section 1596.865 of the Health and Safety Code is amended to read:

1596.865. (a) It is the intent of the Legislature to encourage any person who provides child care in a child day care facility licensed pursuant to this chapter, Chapter 3.5 (commencing with Section 1596.90), or Chapter 3.6 (commencing with Section 1597.30) to have the following elementary health care training:

(1) Cardiopulmonary resuscitation.

(2) Pediatric first aid.

(3) Preventive health practices that reduce the spread of infectious diseases.

(b) (1) The State Department of Education shall convene a task force composed of representatives of the following: three representatives of the American Academy of Pediatrics, one public health nurse, one county director of maternal and child health, one health educator, one representative of the child resource and referral programs, two representatives of family day care operators, one representative of publicly funded child care centers, two representatives of major regional associations representing privately operated child care centers, two representatives of parents with children in child care facilities, one representative of the Governors' Child Development Programs Advisory Committee, and one representative of the State Department of Social Services. The task force members shall be appointed by the Superintendent of Public Instruction.

(2) The task force shall, by September 30, 1987, survey existing child health care training curricula, materials, and dissemination efforts, develop a child health care curriculum and materials to meet the intent of subdivision (a), and determine the most efficient cost-effective method of delivering this training in a readily accessible manner to licensed child care providers across the state,

the feasibility of requiring this training as a condition of licensure for child day care facilities licensed as described in subdivision (a), reasonable time periods in which the training shall be acquired by persons who are in licensed facilities, how often child care providers shall update their training, the type of other coursework which may substitute for this training, and the feasibility of requiring this training for family day care operators.

(3) The State Department of Education may contract with an independent consultant to coordinate the efforts of this task force and shall provide secretarial support.

(c) The State Department of Education may contract with an independent consultant for the period of October 1, 1987, to March 31, 1988, to make the training program operational.

SEC. 118. Section 1596.871 of the Health and Safety Code is amended to read:

1596.871. It is the intent of the Legislature in enacting this section to require the fingerprints of those individuals whose contact with child day care facility clients may pose a risk to the children's health and safety.

(a) Before issuing a license or special permit to any person to operate or manage a day care facility, the department shall secure from an appropriate law enforcement agency a criminal record to determine whether the applicant or any other person specified in subdivision (b) has ever been convicted of a crime other than a minor traffic violation. No fee shall be charged by the Department of Justice or the department for the fingerprinting of an applicant for a license to serve six or fewer children or for obtaining a criminal record of such an applicant pursuant to this section. If it is found that the applicant or any other person specified in subdivision (b) has been convicted of a crime, other than a minor traffic violation, the application shall be denied, unless the director grants an exemption pursuant to subdivision (e).

(b) In addition to the applicant, this section shall be applicable to criminal convictions of the following persons:

(1) Adults responsible for administration or direct supervision of staff.

(2) Any person, other than a child, residing in the facility.

(3) Any person who provides care and supervision to the children.

(4) Any staff person or employee who has frequent and routine contact with the children. In determining who has frequent contact, any volunteer who is in the facility shall be exempt unless the volunteer is used to replace or supplement staff in providing direct care and supervision of children in care. In determining who has routine contact, staff and employees under direct onsite supervision and who are not providing direct care and supervision or who have only occasional or intermittent contact with clients shall be exempt. At the time of employment, all staff and employees required to be fingerprinted shall sign a statement regarding prior criminal convictions and be fingerprinted. Fingerprints shall be submitted to

the licensing agency within 20 days following employment.

(5) If the applicant is a firm, partnership, association, or corporation, the chief executive officer, other person serving in like capacity, or a person designated by the chief executive officer as responsible for the operation of the facility.

(6) Additional officers of the governing body of the applicant, or other persons with a financial interest in the applicant, as determined necessary by the department by regulation. The criteria used in the development of these regulations shall be based on the person's capability to exercise substantial influence over the operation of the facility.

(7) This section does not apply to adult volunteers or adult staff employed by the applicant on an intermittent basis for less than 10 days per month, provided that these adults are under constant supervision by adults who meet the requirements of this section.

(8) This section does not apply to employees of child care and development programs under contract with the State Department of Education who have completed a criminal records clearance as part of an application to the State Commission on Teacher Credentialing, and who possess a current credential or permit issued by the commission. The State Commission on Teacher Credentialing shall notify the department upon revocation of a current credential or permit issued to an employee of a child care and development program under contract with the State Department of Education.

(c) Subsequent to initial licensure, any person specified in subdivision (b) and not exempted from fingerprinting shall, as a condition to employment, residence, or presence in a child day care facility, be fingerprinted and sign a declaration under penalty of perjury regarding any prior criminal conviction. The licensee shall submit these fingerprints to the licensing agency not later than 20 days following employment, residence, or initial presence in the child day care facility. Except for persons specified in paragraph (2) of subdivision (b), the licensee shall endeavor to ascertain the previous employment history of persons required to be fingerprinted under this subdivision If it is determined by the department, on the basis of fingerprints submitted to the Department of Justice, that the person has been convicted of a sex offense against a minor, or has been convicted of an offense specified in Section 243.4, 273a, or 273d of the Penal Code, or has been convicted of a felony, the State Department of Social Services shall notify the licensee to act immediately to terminate the person's employment, remove the person from the child day care facility, or bar the person from entering the child day care facility. The department may subsequently grant an exemption pursuant to subdivision (e) If the conviction was for another crime, except a minor traffic violation, the licensee shall, upon notification by the State Department of Social Services, act immediately to either (1) terminate the person's employment and remove and bar the person from the child day care facility, or (2) seek an exemption pursuant

to subdivision (e). The department shall determine if the person shall be allowed to remain in the facility until a decision on the exemption is rendered.

(d) For the purposes of this section or any other provision of this chapter, a conviction means a plea or verdict of guilty or a conviction following a plea of nolo contendere. Any action which the department is permitted to take following the establishment of a conviction may be taken when the time for appeal has elapsed, or the judgment of conviction has been affirmed on appeal or when an order granting probation is made suspending the imposition of sentence, notwithstanding a subsequent order pursuant to Sections 1203.4 and 1203.4a of the Penal Code permitting the person to withdraw his or her plea of guilty and to enter a plea of not guilty, or setting aside the verdict of guilty, or dismissing the accusation, information, or indictment. For the purposes of this section or any other provision of this chapter, the record of a conviction, or a copy of the record certified by the clerk of the court or by a judge of the court in which the conviction occurred, shall be conclusive evidence of the conviction.

(e) After review of the record, the director may grant an exemption from disqualification for a license or special permit pursuant to subdivision (a), or for employment, residence, or presence in a child day care facility as specified in subdivision (c) if the director has substantial and convincing evidence to support a reasonable belief that the applicant and the person convicted of the crime, if other than the applicant, are of such good character as to justify issuance of the license or special permit or granting an exemption for the purposes of subdivision (c). However, no exemption shall be granted pursuant to this subdivision if the conviction was for an offense specified in Section 220, 243.4, or 264.1, or paragraph (1) of Section 273a or Section 273d, 288, or 289 of the Penal Code, or was a conviction of another crime against an individual specified in subdivision (c) of Section 667.5 of the Penal Code.

(f) Upon request of the provider, who shall enclose a self-addressed stamped postcard for this purpose, the department shall verify receipt of the fingerprints.

(g) For the purposes of compliance with this section, the department shall permit an individual to transfer a current criminal records clearance, as defined in subdivision (a), from one facility to another when changing employment. The department shall supply the individual with documentation of the clearance within 30 days of a written request for the records.

SEC. 119. The heading of Article 3 (commencing with Section 1791) of Chapter 10 of Division 2 of the Health and Safety Code is repealed.

SEC. 120. The heading of Part 1 (commencing with Section 1797) of Division 2.5 of the Health and Safety Code is repealed.

SEC. 121. Section 1797 of the Health and Safety Code is amended

to read:

1797. This division shall be known and may be cited as the Emergency Medical Services System and the Prehospital Emergency Medical Care Personnel Act.

SEC. 122. Section 1797.3 of the Health and Safety Code is amended to read:

1797.3. The provisions of this division do not preclude the adoption of additional training standards for EMT-II and EMT-P by local EMS agencies.

SEC. 123. Section 1797.50 of the Health and Safety Code is amended to read:

1797.50. Unless the context otherwise requires, the definitions contained in this chapter shall govern the provisions of this division.

SEC. 124. Section 1797.54 of the Health and Safety Code is amended to read:

1797.54. "Authority" means the Emergency Medical Services Authority established by this division.

SEC. 125. Section 1797.84 of the Health and Safety Code is amended to read:

1797.84. "Emergency Medical Technician-Paramedic," "EMT-P," "paramedic" or "mobile intensive care paramedic" means an individual whose scope of practice to provide advanced life support is according to standards prescribed by this division and who has a valid certificate issued pursuant to this division.

SEC. 126. Section 1797.97 of the Health and Safety Code is amended to read:

1797.97. "Poison control center" or "PCC" means a hospital-based facility or other facility which, as a minimum, provides information and advice regarding the management of individuals who have or may have ingested or otherwise been exposed to poisonous or possibly toxic substances, and which has been designated by the local EMS agency according to the standards prescribed by this division.

SEC. 127 Section 1797.106 of the Health and Safety Code is amended to read:

1797.106. (a) Regulations, standards, and guidelines adopted by the authority and by local EMS agencies pursuant to the provisions of this division shall not prohibit hospitals which contract with group practice prepayment health care service plans from providing necessary medical services for the members of those plans.

(b) Regulations, standards, and guidelines adopted by the authority and by local EMS agencies pursuant to the provisions of this division shall provide for the transport and transfer of a member of a group practice prepayment health care service plan to a hospital that contracts with the plan when the base hospital determines that the condition of the member permits the transport or when the condition of the member permits the transfer, except that when the dispatching agency determines that the transport by a transport unit would unreasonably remove the transport unit from the area, the

member may be transported to the nearest hospital capable of treating the member.

SEC. 128. Section 1797.107 of the Health and Safety Code is amended to read:

1797.107. The authority shall adopt, amend, or repeal, after approval by the commission and in accordance with the provisions of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, such rules and regulations as may be reasonable and proper to carry out the purposes and intent of this division and to enable the authority to exercise the powers and perform the duties conferred upon it by this division not inconsistent with any of the provisions of any statute of this state.

SEC. 129. Section 1797.133 of the Health and Safety Code is amended to read:

1797.133. The director may appoint select resource committees of experts and may contract with special medical consultants for assistance in the implementation of this division.

SEC. 130. Section 1797.174 of the Health and Safety Code is amended to read:

1797.174. Training programs approved by the State Department of Health Services and in operation on January 1, 1980, may continue to operate, but shall fully comply with the provisions of this division by January 1, 1982.

SEC. 131. Section 1797.208 of the Health and Safety Code is amended to read:

1797.208. The local EMS agency shall be responsible for determining that the operation of training programs at the EMT-I, EMT-II, and EMT-P levels are in compliance with this division, and shall approve the training programs if they are found to be in compliance with this division. The training program at the California Highway Patrol Academy shall be exempt from the provisions of this section.

SEC. 132. Section 1797.212 of the Health and Safety Code is amended to read:

1797.212. The local EMS agency may establish a schedule of fees for certification in an amount sufficient to cover the reasonable cost of administering the certification provisions of this division.

SEC. 133. Section 1798.200 of the Health and Safety Code is amended to read:

1798.200. The medical director of the local EMS agency may place on probation any certificate holder or suspend or revoke any certificate issued under the provisions of this division and in accordance with guidelines established by the authority upon the finding by that medical director of an imminent threat to the public health and safety as evidenced by the occurrence of any of the following actions:

(a) Fraud in the procurement of any certification under this division.

(b) Gross negligence.

(c) Repeated negligent acts.

(d) Incompetence.

(e) The commission of any fraudulent, dishonest, or corrupt act which is substantially related to the qualifications, functions, and duties of prehospital personnel.

(f) Conviction of any crime which is substantially related to the qualifications, functions, and duties of prehospital personnel. The record of conviction or a certified copy of the record shall be conclusive evidence of such conviction.

(g) Violating or attempting to violate directly or indirectly, or assisting in or abetting the violation of, or conspiring to violate, any provision of this division or the regulations promulgated by the authority pertaining to prehospital personnel.

(h) Violating or attempting to violate any federal or state statute or regulation which regulates narcotics, dangerous drugs, or controlled substances.

(i) Addiction to the excessive use of, or the misuse of, alcoholic beverages, narcotics, dangerous drugs, or controlled substances.

(j) Functioning outside the supervision of medical control in the field care system operating at the local level, except as authorized by any other license or certification.

SEC. 134. Section 1798.202 of the Health and Safety Code is amended to read:

1798.202. The local EMS agency may place on probation, suspend, or revoke the approval under this division of any training program for failure to comply with the provisions of this division or any rules or regulations adopted pursuant thereto.

SEC. 135. Section 1798.204 of the Health and Safety Code is amended to read:

1798.204. Proceedings for probation, suspension, revocation, or denial of a certificate, or a denial of a renewal of a certificate, under this division shall be conducted in accordance with guidelines established by the Emergency Medical Services Authority.

SEC. 136. Section 1798.206 of the Health and Safety Code is amended to read:

1798.206. Any person who violates any provision of this division or the rules and regulations promulgated pursuant thereto is guilty of a misdemeanor.

SEC. 137. Section 1798.208 of the Health and Safety Code is amended to read:

1798.208. Whenever any person who has engaged, or is about to engage, in any act or practice which constitutes, or will constitute, a violation of any provision of this division or the rules and regulations promulgated pursuant thereto, the superior court in and for the county wherein the acts or practices take place or are about to take place may issue an injunction or other appropriate order restraining such conduct on application of the authority, the Attorney General, or the district attorney of the county. The proceedings under this section shall be governed by Chapter 3

(commencing with Section 525) of Title 7 of Part 2 of the Code of Civil Procedure, except that no undertaking shall be required.

SEC. 138. Section 1799.50 of the Health and Safety Code is amended to read:

1799.50. The commission shall review and approve regulations, standards, and guidelines to be developed by the authority for implementation of this division.

SEC. 139. Section 1799.108 of the Health and Safety Code is amended to read:

1799.108. Any person who has a certificate issued pursuant to this division from a certifying agency to provide prehospital emergency field care treatment at the scene of an emergency, as defined in Section 1799.102, shall be liable for civil damages only for acts or omissions performed in a grossly negligent manner or acts or omissions not performed in good faith.

SEC. 140. The heading of Article 4 (commencing with Section 4627) of Chapter 1 of Part 3 of Division 5 of the Health and Safety Code is repealed.

SEC. 141. The heading of Article 5 (commencing with Section 4638) of Chapter 1 of Part 3 of Division 5 of the Health and Safety Code is amended and renumbered to read:

Article 4. Taxation and Finances

SEC. 142. The heading of Article 6 (commencing with Section 4641) of Chapter 1 of Part 3 of Division 5 of the Health and Safety Code is amended and renumbered to read:

Article 5. Annexation

SEC. 143. The heading of Article 7 (commencing with Section 4650) of Chapter 1 of Part 3 of Division 5 of the Health and Safety Code is amended and renumbered to read:

Article 6. Withdrawal

SEC. 144. Section 11151 of the Health and Safety Code is amended to read:

11151. A prescription written by an unlicensed person lawfully practicing medicine pursuant to Section 2065 of the Business and Professions Code, shall be filled only at a pharmacy maintained in the hospital which employs such unlicensed person.

SEC. 145. Section 11380 of the Health and Safety Code is amended to read:

11380. (a) Every person 18 years of age or over who violates any provision of this chapter involving controlled substances which are (1) classified in Schedule III, IV, or V and which are not narcotic drugs or (2) specified in subdivision (d) of Section 11054, except paragraphs (13), (14), (15), (20), (21), (22), and (23) of subdivision

(d), or specified in subdivision (d), (e), or (f) of Section 11055, except paragraph (3) of subdivision (e) and subparagraphs (A) and (B) of paragraph (2) of subdivision (f), by the use of a minor as agent, who solicits, induces, encourages, or intimidates any minor with the intent that the minor shall violate any provision of this article involving those controlled substances or who unlawfully furnishes, offers to furnish, or attempts to furnish those controlled substances to a minor shall be punished by imprisonment in the state prison for a period of three, four, or five years.

(b) Nothing in this section applies to a registered pharmacist furnishing controlled substances pursuant to a prescription.

SEC. 146. Section 12651 of the Health and Safety Code is amended to read:

12651. Any person holding a valid license for the manufacture, wholesale, or import and export of dangerous fireworks or pyrotechnic devices may transport any class of fireworks or pyrotechnic devices authorized by such license. Persons holding a special effects pyrotechnic operators license may transport special effects fireworks, but the transportation of fireworks by all other pyrotechnic operator licensees shall not be permitted. The authority granted to the licensee to transport fireworks is limited to traveling upon the approved routes for the transportation of explosives designated as provided in Section 31616 of the Vehicle Code. The licensee shall also comply with Section 27903 of the Vehicle Code and equip and maintain any vehicle used to transport fireworks as required by Section 31610 of the Vehicle Code. It is the intent of the Legislature by this section to require the maximum use of the approved routes in the delivery of fireworks to the point of destination.

SEC. 147. Section 25159.15 of the Health and Safety Code is amended to read:

25159.15. (a) Notwithstanding any other provision of law, on or after January 1, 1986, a person shall not discharge hazardous waste into an injection well which commences operation on or after January 1, 1986, and after January 1, 1988, a person shall not discharge hazardous waste into an injection well which commenced operation before January 1, 1986, unless all of the following conditions are met:

(1) Unless granted an exemption pursuant to subdivision (b), no point along the length of the injection well, as measured either horizontally or vertically, is located within one-half mile of drinking water.

(2) The person has received a hazardous waste facilities permit for the well issued pursuant to Section 25200.6.

(3) The injection well does not discharge hazardous waste into or above a formation which contains a source of drinking water within one-half mile of the well.

(b) A person may apply to the department to exempt an injection well from paragraph (1) of subdivision (a) if the person has received a hazardous waste facilities permit and the person has filed a report

pursuant to Section 25159.18 with the department on or before January 1, 1987, which has been approved by the department, pursuant to Section 25159.18. If the person proposes to commence operation of an injection well on or after January 1, 1986, the person shall file the request for an exemption and the report at least one year before any proposed discharge or injection.

(c) The department shall either grant or deny an exemption from paragraph (1) of subdivision (a) on or before December 31, 1987, or within one year after receipt of the application for a proposed injection well. The department may grant an exemption from paragraph (1) of subdivision (a) only if the department makes all of the following written findings, and supports these findings by citing specific evidence presented in the report or provided to the department:

(1) The hydrogeology report prepared pursuant to Section 25159.18 is current, accurate, and complete.

(2) No hazardous waste constituents have migrated from that portion of the injection well located above the injection zone or have migrated from the injection zone.

(3) Practical alternative technologies, other than well injection, do not exist to reduce, treat, or dispose of the hazardous wastes which are to be discharged.

(4) Continuing or commencing the operation of the injection well does not pose a potential of hazardous waste constituents migrating from that portion of the injection well located above the injection zone or migrating from the injection zone and a monitoring program pursuant to subdivision (c) of Section 25159.17 has been installed, or for a proposed injection well, the monitoring program has been designed and will be installed before any discharge or injections into the well.

(d) An exemption granted pursuant to subdivision (c) shall not be effective for more than five years. Applications for an exemption, or a renewal of an exemption, shall be accompanied by the fee specified in the fee schedules adopted by the department pursuant to Section 25159.19. The department shall not renew the exemption unless it makes all of the findings in subdivision (c).

(e) The department shall revoke an exemption granted pursuant to subdivision (c) if the department determines that there is migration of hazardous wastes, or a threat of migration of hazardous wastes, from the well into any strata or the waters of the state outside the injection zone. The department shall then prohibit the discharge of any hazardous waste into the injection well, require appropriate removal and remedial actions by the person granted the exemption, and require the responsible parties to take appropriate removal and remedial actions.

(f) The state board, the regional boards, and the department shall establish procedures providing for the interagency transfer and review of applications for exemption received pursuant to subdivision (b).

(g) This section applies only to injection wells into which hazardous waste is discharged.

SEC. 148. Section 25159.17 of the Health and Safety Code is amended to read:

25159.17. (a) The department shall make an inspection at least once each year of all facilities with injection wells into which hazardous waste is discharged The owner shall tabulate the monitoring data recovered, pursuant to subdivision (c), monthly. The department shall review the data specified in paragraphs (1), (2), and (3) of subdivision (c) monthly and the data specified in paragraph (4) of subdivision (c) quarterly to ensure that all injection wells into which hazardous waste is discharged comply with this chapter and that any equipment or programs required pursuant to this article are operating properly.

(b) The department shall require complete mechanical integrity testing of the well bore at least once a year and shall require pressure tests at least once every six months. The testing program shall be designed to detect defects, damage, and corrosion in the well, well casings, injection tube, packer cement, and the screened or perforated portion of the well.

(c) The operator of an injection well into which hazardous waste is discharged shall conduct monitoring of the surface equipment, the well, and the movement of injected wastes, in the following manner:

(1) Injection fluids shall be sampled and analyzed at least monthly to yield representative data of their characteristics at all injection wells located at onsite facilities. If the injection well is located at an offsite facility, the fluids shall be sampled and analyzed every time the composition of the hazardous waste discharged into the injection well is different than the waste discharged immediately prior to the new discharge.

(2) Pressure gauges shall be installed and maintained in proper operating condition at all times on the injection tubing and annulus.

(3) Continuous recording devices shall be installed and maintained in proper operating condition at all times to record injection temperatures and pressures, injection flow rates, injection volumes, and annulus pressure.

(4) The monitoring system, including all monitoring wells, shall be constructed and operated in accordance with the standards specified in subdivision (p) of Section 25159.18. The design of the monitoring system and the location and number of monitoring wells shall be approved by the department. Monitoring wells shall be sufficient in number and location for compliance with the monitoring requirements specified in subdivision (p) of Section 25159.18 and the federal regulations adopted pursuant to the Safe Drinking Water Act, and for determining all of the following:

(A) The direction and rate of regional groundwater movement.

(B) Any upward migration of hazardous wastes and changes in water quality in the water bearing formation immediately above the injection zone.

(C) Any changes in water quality of drinking water within at least one-half mile of the well.

(D) The direction, rate, hydraulic effects, alteration, and characteristics of wastes injected into the injection zone, and any changes of pressure within or above the injection zone.

(d) The operator of an injection well shall equip the surface facilities of an injection well into which hazardous waste is discharged with shutoff devices, alarms, and fencing.

(e) The department shall require all abandoned water wells within three miles of a facility to be closed in accordance with standards at least as stringent as those set forth in the Department of Water Resources Bulletin No. 74-81.

(f) The department may require any subsurface structure or hole which is contaminated, may become contaminated, provides a potential conduit for contamination, or penetrates a formation containing drinking water to be closed in accordance with standards at least as stringent as those set forth in the Department of Water Resources Bulletin No. 74-81. If the subsurface structure or hole is an oil or gas well, the well shall be closed pursuant to the regulations adopted by the Division of Oil and Gas. If the subsurface structure is an injection well into which hazardous waste is discharged, the injection well shall be closed in accordance with the procedures specified in subdivision (d) of Section 25159.16.

(g) The regional board shall revise any existing waste discharge requirements, issued for any injection well into which hazardous waste is discharged, pursuant to Section 13263 of the Water Code, based upon a review of the report, and shall include conditions in the waste discharge requirements to ensure that the waters of the state are not polluted or threatened with pollution.

(h) This section applies only to injection wells into which hazardous waste is discharged.

SEC. 149. Section 25191.7 of the Health and Safety Code is amended to read:

25191.7. (a) Any person who provides information which materially contributes to the imposition of a civil penalty or criminal fine against any person for violating this chapter shall be paid a reward pursuant to regulations adopted by the department under subdivision (f). The reward shall be equal to 10 percent of the amount of the civil penalty or criminal fine collected by the department, district attorney, or city attorney. The department shall pay the award to the person who provides information which results in the imposition of a civil penalty, and the county shall pay the award to the person who provides information which results in the imposition of a criminal fine. No reward paid pursuant to this subdivision shall exceed five thousand dollars ($5,000).

(b) No informant shall be eligible for a reward for a violation known to the department, unless the information materially contributes to the imposition of criminal or civil penalties for a violation specified in this section.

(c) If there is more than one informant for a single violation, the first notification received by the department shall be eligible for the reward. If the notifications are postmarked on the same day or telephoned notifications are received on the same day, the reward shall be divided equally among those informants.

(d) Public officers and employees of the United States, the State of California, or counties and cities in California are not eligible for the reward pursuant to subdivision (a), unless reporting those violations does not relate in any manner to their responsibilities as public officers or employees.

(e) An informant who is an employee of a business and who provides information that the business violated this chapter is not eligible for a reward if the employee intentionally or negligently caused the violation or if the employee's primary and regular responsibilities included investigating the violation, unless the business knowingly caused the violation.

(f) The department shall adopt regulations which establish procedures for the receipt and review of claims for payment of rewards. All decisions concerning the eligibility for an award and the materiality of the provided information shall be made pursuant to these regulations. In each case brought under subdivision (a), the department, the office of the city attorney, or the district attorney, whichever office brings the action, shall determine whether the information materially contributed to the imposition of civil or criminal penalties for violations of this chapter.

(g) The department shall continuously publicize the availability of the rewards pursuant to this section for persons who provide information pursuant to this section.

(h) Claims may be submitted only for those referrals made on or after January 1, 1982.

SEC. 151. Section 25291 of the Health and Safety Code is amended to read:

25291. Every underground storage tank installed after January 1, 1984, shall meet all of the following requirements:

(a) Be designed and constructed to provide primary and secondary levels of containment of the hazardous substances stored in it in accordance with the following performance standards:

(1) Primary containment shall be product-tight.

(2) Secondary containment shall be constructed to prevent structural weakening as a result of contact with any released hazardous substances, and also shall be capable of storing the hazardous substances for the maximum anticipated period of time necessary for the recovery of any released hazardous substance.

(3) In the case of an installation with one primary container, the secondary containment shall be large enough to contain at least 100 percent of the volume of the primary tank.

(4) In the case of multiple primary tanks, the secondary container shall be large enough to contain 150 percent of the volume of the largest primary tank placed in it, or 10 percent of the aggregate

internal volume of all primary tanks, whichever is greater.

(5) If the facility is open to rainfall, then the secondary containment shall be able to additionally accommodate the maximum volume of a 24-hour rainfall as determined by a 25-year storm history.

(6) Single-walled containers do not fulfill the requirement of an underground storage tank providing both a primary and a secondary containment. However, an underground storage tank with a primary container constructed with a double complete shell shall be deemed to have met the requirements for primary and secondary containment set forth in this section if the outer shell is constructed primarily of nonearthen materials, including, but not limited to, concrete, steel, and plastic, which provide structural support and a continuous leak detection system with alarm is located in the space between the shells; the system is capable of detecting the entry of hazardous substances from the inner container into the space; and the system is capable of detecting water intrusion into the space from the outer shell.

(7) The design and construction of underground storage tanks for motor vehicle fuels storage need not meet the requirements of paragraphs (1) to (6), inclusive, if all of the following conditions exist:

(A) The primary containment construction is of glass fiber reinforced plastic, cathodically protected steel, or steel clad with glass fiber reinforced plastic.

(B) Any alternative primary containment is installed in conjunction with a system that will intercept and direct a leak from any part of the tank to a monitoring well to detect any release of motor vehicle fuels stored in the tank.

(C) The system is designed to provide early leak detection and response, and to protect the groundwater from releases.

(D) The monitoring is in accordance with the alternative method identified in paragraph (4) of subdivision (b) of Section 25292.

(E) Pressurized piping systems connected to underground storage tanks used for the storage of motor vehicle fuels and monitored in accordance with paragraph (4) of subdivision (b) of Section 25292 also meet the requirements of this subdivision if the tank meets the conditions of subparagraphs (A) to (D), inclusive.

(b) Be designed and constructed with a monitoring system capable of detecting the entry of the hazardous substance stored in the primary containment into the secondary containment. If water could intrude into the secondary containment, a means of monitoring for water intrusion and for safely removing the water shall also be provided.

(c) When required by the local agency, a means of overfill protection for any primary tank, including an overfill prevention device or an attention-getting higher level alarm, or both. Primary tank filling operations of underground storage tanks containing motor vehicle fuels which are visually monitored and controlled by a facility operator satisfy the requirements of this subdivision.

(d) If different substances are stored in the same tank and in combination may cause a fire or explosion, or the production of flammable, toxic, or poisonous gas, or the deterioration of a primary or secondary container, then they shall be separated in both the primary and secondary containment so as to avoid potential intermixing.

(e) If water could enter into the secondary containment by precipitation or infiltration, the facility shall contain a means of removing the water by the owner or operator. This removal system shall also prevent uncontrolled removal of this water and provide for a means of analyzing the removed water for hazardous substance contamination and a means of disposing of the water, if so contaminated, at an authorized disposal facility.

(f) Before the underground storage tank is covered, enclosed, or placed in use, the standard installation testing for requirements for underground storage systems specified in Section 2-7 of the Flammable and Combustible Liquids Code, adopted by the National Fire Protection Association, (NFPA 30) as amended and published in the respective edition of the Uniform Fire Code, shall be followed.

(g) Before the underground storage tank is placed in service, the underground storage systems shall be tested in operating condition using a precision test as defined in National Fire Protection Association Pamphlet 329, "Recommended Practice for Handling Underground Leakage of Flammable and Combustible Liquids," as amended, for proving the integrity of an underground storage tank.

(h) If the underground storage tank is designed to maintain a water level in the secondary containment, the tank shall be equipped with a safe method of removing any excess water to a holding facility and the owner or operator shall inspect the holding facility monthly for the presence of excess water overflow. If excess water is present in the holding facility, the permitholder shall provide a means to analyze the water for hazardous substance contamination and a means to dispose of the water, if so contaminated, at an authorized disposal facility.

SEC. 153. Chapter 6 (commencing with Section 38050) of Division 25 of the Health and Safety Code is repealed.

SEC. 154. Section 44200 of the Health and Safety Code is amended to read:

44200. For purposes of this chapter, "direct import used motor vehicle" means a 1975 or later model-year light-duty motor vehicle not originally intended by the manufacturer for sale in the United States which is at least two years old and was not certified by the state board pursuant to Article 1 (commencing with Section 43100) of Chapter 2.

For the purposes of this section, the age of a motor vehicle shall be determined by the following, in descending order of preference:

(a) From the first calendar day of the model year as indicated in the vehicle identification number.

(b) From the last calendar day of the month the vehicle was

delivered by the manufacturer as shown on the foreign title document.

(c) From January 1 of the same calendar year as the model year shown on the foreign title document.

(d) From the last calendar day of the month the foreign title document was issued.

SEC. 155. Section 50177 of the Health and Safety Code is amended to read:

50177. The Treasurer, or his or her designee, is designated as the state official to certify that an issue of qualified mortgage bonds meets the requirements of subsection (g) of Section 103A of the Internal Revenue Code of 1954, as amended, (26 U.S.C. Sec. 103A(g)) and to take any and all actions as may be necessary or appropriate in connection therewith.

SEC. 156. Section 15001 of the Insurance Code is amended to read:

15001. As used in this chapter:

(a) "Commissioner" means the Insurance Commissioner.

(b) "Department" means the Department of Insurance.

(c) "Licensee" means a person licensed under this chapter.

(d) "Person" includes any individual, firm, company, association, organization, partnership, and corporation.

SEC. 157. Section 3201 of the Labor Code is amended to read:

3201. This division and Division 5 (commencing with Section 6300) are an expression of the police power and are intended to make effective and apply to a complete system of workers' compensation the provisions of Section 4 of Article XIV of the California Constitution.

SEC. 158. Section 3202 of the Labor Code is amended to read:

3202. This division and Division 5 (commencing with Section 6300) shall be liberally construed by the courts with the purpose of extending their benefits for the protection of persons injured in the course of their employment.

SEC. 159. Section 3203 of the Labor Code is amended to read:

3203. This division and Division 5 (commencing with Section 6300) do not apply to employers or employments which, according to law, are so engaged in interstate commerce as not to be subject to the legislative power of the state, nor to employees injured while they are so engaged, except in so far as these divisions are permitted to apply under the Constitution or laws of the United States.

SEC. 160. Section 6382 of the Labor Code is amended to read:

6382. The director shall prepare and amend the list of hazardous substances according to the following procedure:

(a) Any substance designated in any of the following listings in subdivision (b) shall be presumed by the director to be potentially hazardous and shall be included on the list; provided, that the director shall not list a substance or form of the substance from the listings in subdivision (b) if he or she finds, upon a showing pursuant to the procedures set forth in Section 6380, that the substance as

present occupationally is not potentially hazardous to human health; and provided further, that a substance, mixture, or product shall not be considered hazardous to the extent that the hazardous substance present is in a physical state, volume, or concentration for which there is no valid and substantial evidence that any adverse acute or chronic risk to human health may occur from exposure.

(b) The listings referred to in subdivision (a) are as follows:

(1) Substances listed as human or animal carcinogens by the International Agency for Research on Cancer (IARC).

(2) Those substances designated by the Environmental Protection Agency pursuant to Section 307 (33 U.S.C. Sec. 1317) and Section 311 (33 U.S.C. Sec. 1321) of the federal Clean Water Act of 1977 (33 U.S.C. Sec. 1251 et seq.) or as hazardous air pollutants pursuant to Section 112 of the federal Clean Air Act, as amended (42 U.S.C. Sec. 7412) which have known, adverse human health risks.

(3) Substances listed by the Occupational Safety and Health Standards Board as an airborne chemical contaminant pursuant to Section 142.3.

(4) Those substances designated by the Director of Food and Agriculture as restricted materials pursuant to Section 14004.5 of the Food and Agricultural Code which have known, adverse human health risks.

(5) Substances for which an information alert has been issued by the repository of current data established pursuant to Section 147.2.

(c) The director shall at least every two years review the listings in subdivision (b) and shall revise the list to include new substances so listed or exclude substances no longer on the listings, pursuant to the standards set forth in subdivision (a).

(d) Notwithstanding Section 6381, in addition to those substances on the director's list of hazardous substances, any substance within the scope of the federal Hazard Communication Standard (29 C.F.R. Sec. 1910.1200) is a hazardous substance subject to this chapter.

SEC. 161. Section 806 of the Penal Code, as added by Chapter 1270 of the Statutes of 1984, is amended and renumbered to read:

805.5. (a) As used in this section, "operative date" means January 1, 1985.

(b) Except as provided in subdivision (c), this chapter applies to an offense that was committed before, on, or after the operative date.

(c) This chapter does not apply, and the law applicable before the operative date does apply, to an offense that was committed before the operative date, if:

(1) Prosecution for the offense would be barred on the operative date by the limitation of time applicable before the operative date.

(2) Prosecution for the offense was commenced before the operative date.

SEC. 162. Section 1170.1 of the Penal Code is amended to read:

1170.1. (a) Except as provided in subdivision (c) and subject to Section 654, when any person is convicted of two or more felonies, whether in the same proceeding or court or in different proceedings

or courts, and whether by judgment rendered by the same or by a different court, and a consecutive term of imprisonment is imposed under Sections 669 and 1170, the aggregate term of imprisonment for all these convictions shall be the sum of the principal term, the subordinate term and any additional term imposed pursuant to Section 667.5, 667.6, or 12022.1. The principal term shall consist of the greatest term of imprisonment imposed by the court for any of the crimes, including any enhancements imposed pursuant to Section 12022, 12022.3, 12022.4, 12022.5, 12022.6, 12022.7, 12022.8, or 12022.9. The subordinate term for each consecutive offense which is not a "violent felony" as defined in subdivision (c) of Section 667.5 shall consist of one-third of the middle term of imprisonment prescribed for each other such felony conviction for which a consecutive term of imprisonment is imposed, and shall exclude any enhancements. In no case shall the total of subordinate terms for such consecutive offenses which are not "violent felonies" as defined in subdivision (c) of Section 667.5 exceed five years. The subordinate term for each consecutive offense which is a "violent felony" as defined in subdivision (c) of Section 667.5, including those offenses described in paragraph (8) of subdivision (c) of Section 667.5, shall consist of one-third of the middle term of imprisonment prescribed for each other such felony conviction for which a consecutive term of imprisonment is imposed, and shall include one-third of any enhancements imposed pursuant to Section 12022, 12022.4, 12022.5, 12022.7, or 12022.9.

(b) When a consecutive term of imprisonment is imposed under Sections 669 and 1170 for two or more convictions for kidnapping, as defined in Section 207, involving both separate victims and separate occasions, the aggregate term shall be calculated as provided in subdivision (a), except that the subordinate term for each subsequent kidnapping conviction shall consist of the middle term for each kidnapping conviction for which a consecutive term of imprisonment is imposed and shall include one-third of any enhancements imposed pursuant to Section 12022, 12022.4, 12022.5,, 12022.7, or 12022.9. The five-year limitation on the total of subordinate terms provided in subdivision (a) shall not apply to subordinate terms for second and subsequent convictions of kidnapping, as defined in Section 207, involving separate victims and separate occasions.

(c) In the case of any person convicted of one or more felonies committed while the person is confined in a state prison, or is subject to reimprisonment for escape from such custody and the law either requires the terms to be served consecutively or the court imposes consecutive terms, the term of imprisonment for all the convictions which the person is required to serve consecutively shall commence from the time such person would otherwise have been released from prison. If the new offenses are consecutive with each other, the principal and subordinate terms shall be calculated as provided in subdivision (a), except that the total of subordinate terms may

exceed five years. The provisions of this subdivision shall be applicable in cases of convictions of more than one offense in different proceedings, and convictions of more than one offense in the same or different proceedings.

(d) When the court imposes a prison sentence for a felony pursuant to Section 1170 the court shall also impose the additional terms provided in Sections 667.5, 12022, 12022.4, 12022.5, 12022.6, 12022.7, and 12022.9, unless the additional punishment therefore is stricken pursuant to subdivision (h). The court shall also impose any other additional term which the court determines in its discretion or as required by law shall run consecutive to the term imposed under Section 1170. In considering the imposition of such additional term, the court shall apply the sentencing rules of the Judicial Council.

(e) When two or more enhancements under Sections 12022, 12022.4, 12022.5, 12022.7, and 12022.9 may be imposed for any single offense, only the greatest enhancement shall apply; however, in cases of robbery, rape or burglary, or attempted robbery, rape or burglary the court may impose both (1) one enhancement for weapons as provided in either Section 12022, 12022.4, or 12022.5 and (2) an enhancement for great bodily injury as provided in Section 12022.7 or 12022.9.

(f) The enhancements provided in Sections 667.5, 667.6, 12022, 12022.1, 12022.3, 12022.4, 12022.5, 12022.6, 12022.7, 12022.8, and 12022.9 shall be pleaded and proven as provided by law.

(g) The term of imprisonment shall not exceed twice the number of years imposed by the trial court as the base term pursuant to subdivision (b) of Section 1170 unless the defendant stands convicted of a "violent felony" as defined in subdivision (c) of Section 667.5, or a consecutive sentence is being imposed pursuant to subdivision (c) of this section, or an enhancement is imposed pursuant to Section 12022, 12022.4, 12022.5, 12022.6, 12022.7, or 12022.9 or the defendant stands convicted of felony escape from an institution in which he is lawfully confined.

(h) Notwithstanding any other provision of law, the court may strike the additional punishment for the enhancements provided in Sections 667.5, 12022, 12022.4, 12022.5, 12022.6, 12022.7, and 12022.9 if it determines that there are circumstances in mitigation of the additional punishment and states on the record its reasons for striking the additional punishment.

(i) For any violation of subdivision (2) or (3) of Section 261, Section 264.1, subdivision (b) of Section 288, Section 289, or sodomy or oral copulation by force, violence, duress, menace or threat of great bodily harm as provided in Section 286 or 288a, the number of enhancements which may be imposed shall not be limited, regardless of whether such enhancements are pursuant to this or some other section of law. Each of such enhancements shall be a full and separately served enhancement and shall not be merged with any term or with any other enhancement.

SEC. 163. Section 1203.1g of the Penal Code, as added by Chapter

861 of the Statutes of 1985, is amended and renumbered to read:

1203.1h. In addition to any other costs which a court is authorized to require a defendant to pay, upon conviction of any offense involving child abuse or neglect, the court may require that the defendant pay to a law enforcement agency incurring such cost, the cost of any medical examinations conducted on the victim in order to determine the nature or extent of the abuse or neglect. If the court determines that the defendant has the ability to pay all or part of the medical examination costs, the court may set the amount to be reimbursed and order the defendant to pay that sum to the law enforcement agency in the manner in which the court believes reasonable and compatible with the defendant's financial ability. In making a determination of whether a defendant has the ability to pay, the court shall take into account the amount of any fine imposed upon the defendant and any amount the defendant has been ordered to pay in restitution.

SEC. 164. Section 1213.5 of the Penal Code is amended to read:

1213.5. The abstract of judgment provided for in Section 1213 shall be prescribed by the Judicial Council.

SEC. 165. Section 1270 of the Penal Code, as added by the Statutes of 1872, is amended and renumbered to read:

1270.5. A defendant charged with an offense punishable with death cannot be admitted to bail, when the proof of his or her guilt is evident or the presumption thereof great. The finding of an indictment does not add to the strength of the proof or the presumptions to be drawn therefrom.

SEC. 166. Section 3041.5 of the Penal Code is amended to read:

3041.5. (a) At all hearings for the purpose of reviewing a prisoner's parole suitability, or the setting, postponing or rescinding of parole dates:

(1) At least 10 days prior to any hearing by the Board of Prison Terms, the prisoner shall be permitted to review his or her file which will be examined by the board and shall have the opportunity to enter a written response to any material contained in such file.

(2) The prisoner shall be permitted to be present, to ask and answer questions, and to speak on his own behalf.

(3) Unless legal counsel is required by some other provision of law, a person designated by the Department of Corrections shall be present to insure that all facts relevant to the decision be presented, including, if necessary, contradictory assertions as to matters of fact that have not been resolved by departmental or other procedures.

(4) The prisoner shall be permitted to request and receive a stenographic record of all proceedings.

(5) If the hearing is for the purpose of postponing or rescinding of parole dates, the prisoner will have rights set forth in paragraphs (3) and (4) of subdivision (c) of Section 2932.

(b) (1) Within 10 days following any meeting where a parole date has been set, the board shall send the prisoner a written statement setting forth his parole date, the conditions he must meet in order

to be released on the date set, and the consequences of failure to meet such conditions.

(2) Within 20 days following any meeting where a parole date has not been set for the reasons stated in subdivision (b) of Section 3041, the board shall send the prisoner a written statement setting forth the reason or reasons for refusal to set a parole date; and suggest activities in which he might participate that will benefit him while he is incarcerated.

The board shall hear each case annually thereafter, except the board may schedule the next hearing no later than (A) two years after any hearing at which parole is denied if the board finds that it is not reasonable to expect that parole would be granted at a hearing during the following year and states the bases for the finding or, (B) three years after any hearing at which parole is denied if the prisoner has been convicted, in the same or different proceedings, of more than one offense which involves the taking of a life, and the board finds that it is not reasonable to expect that parole would be granted at a hearing during the following years and states the bases for the finding.

(3) Within 10 days of any board action resulting in the postponement of a previously set parole date, the board shall send the prisoner a written statement setting forth a new date and the reason or reasons for such action and shall offer the prisoner an opportunity for review of that action.

(4) Within 10 days of any board action resulting in the rescinding of a previously set parole date, the board shall send the prisoner a written statement setting forth the reason or reasons for that action, and shall schedule the prisoner's next hearing within 12 months and in accordance with paragraph (2).

SEC. 167. Section 3605 of the Penal Code is amended to read:

3605. The warden of the State prison where the execution is to take place shall be present at the execution and must invite the presence of two physicians, the Attorney General of the State, and at least 12 reputable citizens, to be selected by him; and he or she shall at the request of the defendant, permit those ministers of the Gospel, not exceeding two, as the defendant may name, and any persons, relatives or friends, not to exceed five, to be present at the execution, together with such peace officers as he may think expedient, to witness the execution. But no other persons than those mentioned in this section can be present at the execution, nor can any person under 18 years of age be allowed to witness the execution.

SEC. 168. Section 11166.5 of the Penal Code is amended to read:

11166.5. (a) Any person who enters into employment on and after January 1, 1985, as a child care custodian, medical practitioner, or nonmedical practitioner, or with a child protective agency, prior to commencing his or her employment, and as a prerequisite to that employment, shall sign a statement on a form provided to him or her by his or her employer to the effect that he or she has knowledge of the provisions of Section 11166 and will comply with its provisions.

The statement shall include the following provisions:

Section 11166 of the Penal Code requires any child care custodian, medical practitioner, nonmedical practitioner, or employee of a child protective agency who has knowledge of or observes a child in his or her professional capacity or within the scope of his or her employment whom he or she knows or reasonably suspects has been the victim of a child abuse to report the known or suspected instance of child abuse to a child protective agency immediately or as soon as practically possible by telephone and to prepare and send a written report thereof within 36 hours of receiving the information concerning the incident.

"Child care custodian" includes teachers, administrative officers, supervisors of child welfare and attendance, or certificated pupil personnel employees of any public or private school; administrators of a public or private day camp; licensees, administrators, and employees of community care facilities or child day care facilities licensed to care for children; headstart teachers; licensing workers or licensing evaluators; public assistance workers; employees of a child care institution including, but not limited to, foster parents, group home personnel, and personnel of residential care facilities; and social workers or probation officers.

"Medical practitioner" includes physicians and surgeons, psychiatrists, psychologists, dentists, residents, interns, podiatrists, chiropractors, licensed nurses, dental hygienists, or any other person who is licensed under Division 2 (commencing with Section 500) of the Business and Professions Code or emergency medical technicians I or II, paramedics, or other persons certified pursuant to Division 2.5 (commencing with Section 1797) of the Health and Safety Code, or psychological assistants registered pursuant to Section 2913 of the Business and Professions Code.

"Nonmedical practitioner" includes state or county public health employees who treat minors for venereal disease or any other condition; coroners; paramedics; marriage, family or child counselors; and religious practitioners who diagnose, examine, or treat children.

The signed statements shall be retained by the employer. The cost of printing, distribution, and filing of these statements shall be borne by the employer.

This subdivision is not applicable to persons employed by child protective agencies as members of the support staff or maintenance staff and who do not work with, observe, or have knowledge of children as part of their official duties.

(b) On and after January 1, 1986, when a person is issued a state license or certificate to engage in a profession or occupation, the members of which are required to make a report pursuant to Section 11166, the state agency issuing the license or certificate shall send a statement substantially similar to the one contained in subdivision (a) to the person at the same time as it transmits the document indicating licensure or certification to the person. In addition to the

requirements contained in subdivision (a), the statement shall also indicate that failure to comply with the requirements of Section 11166 is a misdemeanor, punishable by up to six months in jail or by a fine of one thousand dollars ($1,000) or by both.

(c) As an alternative to the procedure required by subdivision (b), a state agency may cause the required statement to be printed on all application forms for a license or certificate printed on or after January 1, 1986.

SEC. 169. The heading of Chapter 1 (commencing with Section 13010) of Title 3 of Part 4 of the Penal Code is amended to read:

CHAPTER 1. DEPARTMENT OF JUSTICE

SEC. 170. The heading of Article 2 (commencing with Section 13010) of Chapter 1 of Title 3 of Part 4 of the Penal Code is amended and renumbered to read:

Article 1. Duties of the Department

SEC. 171. The heading of Article 3 (commencing with Section 13020) of Chapter 1 of Title 3 of Part 4 of the Penal Code is amended and renumbered to read:

Article 2. Duties of Public Agencies and Officers

SEC. 172. Section 707 of the Probate Code is amended to read:

707. (a) Except as provided in subdivision (b) or Section 707.5 or Section 720, all claims arising upon contract, whether they are due, not due, or contingent, and all claims for funeral expenses and all claims for damages for injuries to or death of a person or injury to property and all claims against the executor or administrator of any testator or intestate who in his lifetime has wasted, destroyed, taken or carried away or converted to his own use, the property of another person or committed any trespass on the real property of another person, shall be filed or presented within the time limited in the notice or as extended by Section 709. Any claim not so filed or presented is barred forever, unless it is made to appear by the affidavit of the claimant to the satisfaction of the court that (1) the claimant had not received notice, by reason of being out of the state, or (2) the claimant had in good faith filed a claim in another proceeding for the same decedent which has not been consolidated with the present proceeding, and in which letters had not been issued. In either event the claim may be filed or presented at any time within one year after the expiration of such prescribed period and before petition for final distribution has been filed; provided, neither the filing or presentation of such claim nor its later establishment, in whole or in part, shall make property distributed pursuant to court order or any payments properly made before filing or presentation of such claim subject to the claim. The clerk shall

enter in the register every claim filed, giving the name of the claimant, the amount and character of the claim, the rate of interest, if any, and the date of filing.

(b) The filing and presentation of a claim is not required as a prerequisite to commencing an action against the decedent for damages for injury to or for the death of a person caused by the wrongful act or neglect of the decedent or to recover upon a judgment obtained in the action if (1) the decedent had liability insurance applicable to the cause of action, (2) the amount of damages sought in the action does not exceed the maximum amount of such insurance, or recovery in excess thereof is waived, and (3) the estate of the decedent otherwise qualifies for summary probate proceedings pursuant to Section 630. If the amount of damages sought in the action exceeds the maximum amount of the insurance, filing and presentation of a claim is required only with respect to the amount sought in excess of the maximum amount of the insurance. The defendant in the action may be designated as "Estate of (name of decedent), Deceased". No action shall be maintained under this subdivision unless the insurer has been served with a copy of the complaint.

SEC. 173. Section 21000 of the Public Contract Code, as added by Chapter 1054 of the Statutes of 1983, is amended and renumbered to read:

21800. This chapter shall be known and may be cited as the "Uniform Public Construction Cost Accounting Act."

SEC. 174. Section 21001 of the Public Contract Code, as added by Chapter 1054 of the Statutes of 1983, is amended and renumbered to read:

21801. The Legislature finds and declares that there is a statewide need to promote uniformity of the cost accounting standards and bidding procedures on construction work performed or contracted by public entities in the state. This chapter provides for the development of cost accounting standards and an alternative method for the bidding of public works projects by public entities.

SEC. 175. Section 21002 of the Public Contract Code, as added by Chapter 1054 of the Statutes of 1983, is amended and renumbered to read:

21802. (a) "Public agency" for purposes of this chapter, means a city, county, city and county, including chartered cities and chartered counties, any special district, and any other agency of the state for the local performance of governmental or proprietary functions within limited boundaries.

(b) "Representatives of the construction industry" for purposes of this chapter, means a general contractor, subcontractor, or labor representative with experience in the field of public works construction.

(c) "Public project" means any of the following:

(1) Construction, reconstruction, erection, alteration, renovation, improvement, demolition, and repair work involving any publicly

owned, leased, or operated facility.

(2) Painting or repainting of any publicly owned, leased, or operated facility.

(3) In the case of a publicly owned utility system, "public project" shall include only the construction, erection, improvement, or repair of dams, reservoirs, powerplants, and electrical transmission lines of 230,000 volts and higher.

(d) "Public project" does not include maintenance work. For purposes of this section, "maintenance work" includes all of the following:

(1) Routine, recurring, and usual work for the preservation or protection of any publicly owned or publicly operated facility for its intended purposes.

(2) Minor repainting.

(3) Resurfacing of streets and highways at less than one inch.

(4) Landscape maintenance, including mowing, watering, trimming, pruning, planting, replacement of plants, and servicing of irrigation and sprinkler systems.

(5) Work performed to keep, operate, and maintain publicly owned water, power, or waste disposal systems, including, but not limited to, dams, reservoirs, powerplants, and electrical transmission lines of 230,000 volts and higher.

(e) For purposes of this chapter, "facility" means any plant, building, structure, ground facility, utility system, subject to the limitation found in paragraph (3) of subdivision (c), real property, streets and highways, or other public work improvement.

SEC. 176. Section 21100 of the Public Contract Code, as added by Chapter 1054 of the Statutes of 1983, is amended and renumbered to read:

21850. There is hereby created the California Uniform Construction Cost Accounting Commission. The commission is comprised of 14 members appointed by the Controller as follows:

(a) Three members who shall each have at least 10 years of experience with, or providing professional services to, a general contracting firm engaged, during that period, in public works construction in California.

(b) Two members who shall each have at least 10 years of experience with, or providing professional services to, a firm or firms engaged, during that period, in subcontracting for public works construction in California.

(c) Two members who shall each be a member in good standing of, or have provided professional services to, an organized labor union with at least 10 years of experience in public works construction in California.

(d) Seven members who shall each be experienced in, and knowledgeable of, public works construction under contracts let by public agencies; two each representing cities, counties, respectively, and two representing school districts (one with an average daily attendance over 25,000 and one with an average daily attendance

under 25,000), and one member representing a special district. At least one of the two county representatives shall be a county auditor or his or her designee.

SEC. 177. Section 21101 of the Public Contract Code, as added by Chapter 1054 of the Statutes of 1983, is amended and renumbered to read:

21851. The Controller, in an effort to select highly qualified commission members, shall solicit from organized representatives of the construction industry and public agencies recommendations for appointments to the commission.

SEC. 178. Section 21102 of the Public Contract Code, as added by Chapter 1054 of the Statutes of 1983, is amended and renumbered to read:

21852. At least one commission member of the six representing the construction industry and at least one of the six representing public agencies shall have previous accounting experience.

SEC. 179. Section 21103 of the Public Contract Code is amended and renumbered to read:

21853. The commission members shall select a chairperson from among its membership. The chairperson shall serve as chair for a term of one year from the date of selection or February 1, whichever comes first. In no event shall two consecutive chairpersons be appointees representing either the construction industry or public agencies.

SEC. 180. Section 21104 of the Public Contract Code is amended and renumbered to read:

21854. (a) The members of the commission shall hold office for terms of three years, and until their successors are appointed, except as otherwise provided for in this section.

(b) In the case of members initially appointed by the Controller, two representing the construction industry and two representing public agencies shall be appointed to serve until July 1, 1985; two representing the construction industry and two representing public agencies shall be appointed to serve until July 1, 1986; and three representing the construction industry and three representing public agencies shall be appointed to serve until July 1, 1987.

(c) Members may be reappointed for subsequent terms of three years.

SEC. 181. Section 21105 of the Public Contract Code is amended and renumbered to read:

21855. (a) The Controller shall make available for the conduct of the commission's business, such staff and other support as does not conflict with the accomplishment of the other business of the office of the Controller.

(b) Each member of the commission shall serve without compensation, but shall be reimbursed for travel and other expenses necessarily incurred in the performance of the member's duties.

(c) The commission may accept grants from federal, state, or local public agencies, or from private foundations or individuals, in order

to assist it in carrying out its duties, functions, and powers under this chapter.

SEC. 182. Section 21106 of the Public Contract Code is amended and renumbered to read:

21856. The commission shall meet not less than once each year, at a time and place chosen by its membership.

SEC. 183. Section 21107 of the Public Contract Code is amended and renumbered to read:

21857. The commission shall do all of the following:

(a) After due deliberation and study, recommend for adoption by the Controller, uniform construction cost accounting procedures for implementation by public agencies in the performance of, or in contracting for, construction on public projects. The procedures shall, to the extent deemed feasible and practicable by the commission, incorporate, or be consistent with construction cost accounting procedures and reporting requirements utilized by state and federal agencies on public projects, and be uniformly applicable to all public agencies which elect to utilize the uniform procedures. As part of its deliberations and review, the commission shall take into consideration relevant provisions of Office of Management and Budget Circular A-76.

(b) Recommend for adoption by the Controller, procedures and standards for the periodic evaluation and adjustment, as necessary, of the monetary limits specified in Section 21902.

(c) Submit its recommendations to the Controller not later than January 1, 1985. The commission shall report to the Legislature, no later than June 30, 1984, concerning its progress in the development and implementation of the uniform construction cost accounting procedures. Thereafter, the commission shall make an annual report to the Legislature with respect to its activities and operations, together with those recommendations as it deems necessary.

SEC. 184. Section 21108 of the Public Contract Code is amended and renumbered to read:

21858. The Controller shall, upon receipt of the commission's recommendations, review and evaluate the recommended procedures and either formally adopt or reject the recommended procedures within 90 days of submission by the commission.

SEC. 185. Section 21109 of the Public Contract Code is amended and renumbered to read:

21859. Upon determining that the recommended uniform construction cost accounting procedures will serve the best interests of the state and public agencies, and upon formal adoption by the Controller, the Controller shall promulgate the uniform procedure for all public agencies electing to participate, together with instructions for their adoption and implementation by any public agency.

SEC. 186. Section 21110 of the Public Contract Code, as added by Chapter 1054 of the Statutes of 1983, is amended and renumbered to read:

21860. In accordance with procedures and standards adopted pursuant to Section 21857, every five years the commission shall consider whether there have been material changes in public construction costs and make recommendations to the Controller regarding adjustments in the monetary limits prescribed by Section 21902, but in no case shall the amount, as adjusted, be less than fifteen thousand dollars ($15,000). Any adjustment shall be effective beginning with the fiscal year which commences not less than 60 days following the Controller's notification to affected public agencies of the adjustment.

SEC. 187. Section 21200 of the Public Contract Code, as added by Chapter 1054 of the Statutes of 1983, is amended and renumbered to read:

21900. This article applies only to a public agency whose governing board has by resolution elected to become subject to the uniform construction cost accounting procedures set forth in Article 2 (commencing with Section 21800) and which has notified the Controller of that election. In the event of a conflict with any other provision of law relative to bidding procedures, this article shall apply to any public agency which has adopted a resolution and so notified the Controller.

SEC. 188. Section 21201 of the Public Contract Code, as added by Chapter 1054 of the Statutes of 1983, is amended and renumbered to read:

21901. Nothing in this article shall prohibit a board of supervisors or a county road commissioner from utilizing, as an alternative to the procedures set forth in this article, the procedures set forth in Article 25 (commencing with Section 20390) of Chapter 1.

SEC. 189. Section 21202 of the Public Contract Code, as amended by Chapter 758 of the Statutes of 1984, is amended and renumbered to read:

21902. (a) Public projects of fifteen thousand dollars ($15,000) or less may be performed by the employees of a public agency by force account, by negotiated contract, or by purchase order.

(b) Public projects of fifty thousand dollars ($50,000) or less may be let to contract by informal procedures as set forth in this article.

(c) Public projects of more than fifty thousand dollars ($50,000) shall, except as otherwise provided in this article, be let to contract by formal bidding procedure.

SEC. 190. Section 21203 of the Public Contract Code, as added by Chapter 1054 of the Statutes of 1983, is amended and renumbered to read:

21903. It shall be unlawful to split or separate into smaller work orders or projects any project for the purpose of evading this article requiring work to be done by contract after competitive bidding.

SEC. 191. Section 21204 of the Public Contract Code, as amended by Chapter 758 of the Statutes of 1984, is amended and renumbered to read:

21904. Each public agency which elects to become subject to the

uniform construction accounting procedures set forth in Article 2 (commencing with Section 21850), shall enact an informal bidding ordinance to govern the selection of contractors to perform public projects pursuant to subdivision (b) of Section 21902. The ordinance shall include all of the following:

(a) The public agency shall maintain a list of qualified contractors, identified according to categories of work. Minimum criteria for development and maintenance of the contractors list shall be determined by the commission.

(b) All contractors on the list for the category of work being bid or all construction trade journals specified in Section 21906 or both for the category of work being bid and all construction trade journals specified in that section shall be mailed a notice inviting informal bids unless the product or service is proprietary.

(c) All mailing of notices to contractors and construction trade journals pursuant to subdivision (b) shall be completed not less than 10 calendar days before bids are due.

(d) The notice inviting informal bids shall describe the project in general terms, how to obtain more detailed information about the project, and state the time and place for the submission of bids.

(e) The governing body of the public agency may delegate the authority to award informal contracts to the public works director, general manager, purchasing agent, or other appropriate person.

SEC. 192. Section 21205 of the Public Contract Code is amended and renumbered to read:

21905. In cases of great emergency, as determined by the governing body of the public agency, including, but not limited to, states of emergency defined in Section 8558 of the Government Code, when repair or replacements are necessary to permit the continued conduct of the operation or services of a public agency or to avoid danger to life or property, the governing body by majority vote, may proceed at once to replace or repair any public facility without adopting plans, specifications, strain sheets, or working details, or giving notice for bids to let contracts. The work may be done by day labor under the direction of the governing body, by contract, or by a combination of the two. The governing body, by majority vote, may delegate to the appropriate county administrative officer or city manager the power to declare a public emergency subject to confirmation by the governing body, by a four-fifths vote, at its next meeting.

SEC. 193. Section 21206 of the Public Contract Code is amended and renumbered to read:

21906. The commission shall determine, on a county-by-county basis, the appropriate construction trade journals which shall receive mailed notice of all informal and formal construction contracts being bid for work within the specified county.

SEC. 194. Section 21207 of the Public Contract Code is amended and renumbered to read:

21907. Notice inviting formal bids shall state the time and place

for the receiving and opening of sealed bids and distinctly describe the project. The notice shall be published at least 14 calendar days before the date of opening the bids in a newspaper of general circulation, printed and published in the jurisdiction of the public agency; or, if there is no newspaper printed and published within the jurisdiction of the public agency, in a newspaper of general circulation which is circulated within the jurisdiction of the public agency, or, if there is no newspaper which is circulated within the jurisdiction of the public agency, publication shall be by posting the notice in at least three places within the jurisdiction of the public agency as have been designated by ordinance or regulation of the public agency as places for the posting of its notices. The notice inviting formal bids shall also be mailed to all construction trade journals specified in Section 21906. The notice shall be mailed at least 30 calendar days before the date of opening the bids. In addition to notice required by this section, the public agency may give such other notice as it deems proper.

SEC. 195. Section 21208 of the Public Contract Code, as amended by Section 1 of Chapter 993 of the Statutes of 1984, is amended and renumbered to read:

21908. (a) In its discretion, the public agency may reject any bids presented. If after the first invitation for bids all bids are rejected, the public agency shall state the reasons for the rejection, and after reevaluating its cost estimates of the project, the public agency shall have the option of either of the following:

(1) Abandoning the project or readvertising for bids in the manner described by this article.

(2) By passage of a resolution by a four-fifths vote of its governing body declaring that the project can be performed more economically by the employees of the public agency, may have the project done by force account without further complying with this article.

(b) If a contract is awarded, it shall be awarded to the lowest responsible bidder. If two or more bids are the same and the lowest, the public agency may accept the one it chooses.

(c) If no bids are received, the project may be performed by employees of the public agency by force account, or by informal bidding procedures set forth in Section 21904 without further complying with this article.

(d) Any statement of reasons for the rejection of all bids made pursuant to subdivision (a) shall not constitute a new cause of action separate and apart from any existing remedies which may be available to the bidders.

This section shall remain in effect only until January 1, 1991, and as of such date is repealed, unless a later enacted statute, which is enacted before January 1, 1991, deletes or extends such date.

SEC. 196. Section 21208 of the Public Contract Code, as added by Section 2 of Chapter 993 of the Statutes of 1984, is amended and renumbered to read:

21908. (a) In its discretion, the public agency may reject any bids

presented. If after the first invitation of bids all bids are rejected, after reevaluating its cost estimates of the project, the public agency shall have the option of either of the following:

(1) Abandoning the project or readvertising for bids in the manner described by this article.

(2) By passage of a resolution by a four-fifths vote of its governing body declaring that the project can be performed more economically by the employees of the public agency, may have the project done by force account without further complying with this article.

(b) If a contract is awarded, it shall be awarded to the lowest responsible bidder. If two or more bids are the same and the lowest, the public agency may accept the one it chooses.

(c) If no bids are received, the project may be performed by the employees of the public agency by force account, or by informal bidding procedures set forth in Section 21904 without further complying with this article.

This section shall become operative on January 1, 1991.

SEC. 197. Section 21209 of the Public Contract Code is amended and renumbered to read:

21909. The governing body of the public agency shall adopt plans, specifications, and working details for all public projects of more than fifty thousand dollars ($50,000).

SEC. 198. Section 21210 of the Public Contract Code, as added by Chapter 1054 of the Statutes of 1983, is amended and renumbered to read:

21910. Any person may examine the plans, specifications, or working details, or all of these, adopted by the public agency for any project.

SEC. 199. Section 21211 of the Public Contract Code, as added by Chapter 1054 of the Statutes of 1983, is amended and renumbered to read:

21911. This article does not apply to the construction of any public building used for facilities of juvenile forestry camps or juvenile homes, ranches, or camps established under Article 15 (commencing with Section 880) of Chapter 2 of Part 1 of Division 2 of the Welfare and Institutions Code, if a major portion of the construction work is to be performed by wards of the juvenile court assigned to those camps, ranches, or homes.

SEC. 200. Section 21212 of the Public Contract Code, as added by Chapter 1054 of the Statutes of 1983, is amended and renumbered to read:

21912. The commission shall review the accounting procedures of any participating public agency where an interested party presents evidence that the work undertaken by the public agency falls within any of the following categories:

(a) Is to be performed by a public agency after rejection of all bids, claiming work can be done less expensively by the public agency.

(b) Exceeded the force account limits.

(c) Has been improperly classified as maintenance.

SEC. 201. Section 21213 of the Public Contract Code is amended and renumbered to read:

21913. In those circumstances as set forth in subdivision (a) of Section 21912, a request for commission review shall be in writing, sent by certified or registered mail received by the commission postmarked not later than five business days from the date the public agency has rejected all bids. In those circumstances set forth in subdivision (b) or (c) of Section 21912, a request for commission review shall be by letter received by the commission not later than five days from the date an interested party formally complains to the public agency. The commission review shall commence immediately and conclude within 30 days from the receipt of the request for commission review. During the review of a project that falls within subdivision (a) of Section 21912, the agency shall not proceed on the project until a final decision is received by the commission.

SEC. 202. Section 21214 of the Public Contract Code is amended and renumbered to read:

21914. The commission shall prepare written findings. Should the commission find that the provisions of this chapter or of the uniform cost accounting procedures provided for in this chapter were not complied with by the public agency, the following steps shall be implemented by that agency:

(a) On those projects set forth in subdivision (a) of Section 21912, the public agency has the option of either (1) abandoning the project, or (2) awarding the project to the lowest responsible bidder.

(b) On those projects set forth in subdivision (b) or (c) of Section 21912, the public agency shall present the commission's findings to its governing body and that governing body shall conduct a public hearing with regard to the commission's findings within 30 days of receipt of the findings.

SEC. 203. Section 21215 of the Public Contract Code is amended and renumbered to read:

21915. (a) No later than January 1, 1985, the commission shall recommend, for adoption by the Controller, written procedures implementing the accounting procedures review provided for in this article.

(b) The Controller shall, upon receipt of the commission's recommendation, review and evaluate the recommended procedures and either formally adopt or reject the recommended procedures within 90 days of submission of the commission.

SEC. 204. Section 739 of the Public Resources Code is amended to read:

739. The board may appoint an executive officer who shall be exempt from civil service pursuant to subdivision (e) of Section 4 of Article VII of the California Constitution.

SEC. 205. Section 3236.5 of the Public Resources Code is amended to read:

3236.5. (a) Any person who violates this chapter or any

regulation implementing this chapter is subject to a civil penalty not to exceed five thousand dollars ($5,000) for each violation. Acts of God, and acts of vandalism beyond the reasonable control of the operator, shall not be considered a violation. The civil penalty shall be imposed by an order of the supervisor upon a determination that a violation has been committed by the person charged, following notice to the person and an opportunity to be heard. The imposition of a civil penalty under this section shall be in addition to any other penalty provided by law for the violation. When establishing the amount of civil liability pursuant to this section, the supervisor shall consider, in addition to other relevant circumstances, (1) the extent of harm caused by the violation (2) the persistence of the violation, and (3) the number of prior violations by the same violator.

(b) An order of the supervisor imposing a civil penalty shall be reviewable pursuant to Article 6 (commencing with Section 3350). When the order of the supervisor has become final or has been upheld following exhaustion of the applicable review procedures, the supervisor may apply to the appropriate superior court for an order directing payment of the civil penalty.

(c) Any amount collected under this section shall be deposited in the General Fund.

SEC. 206. Section 3754.5 of the Public Resources Code is amended to read.

3754.5. (a) Any person who violates this chapter or any regulation implementing this chapter is subject to a civil penalty not to exceed five thousand dollars ($5,000) for each violation. Acts of God, and acts of vandalism beyond the reasonable control of the operator, shall not be considered a violation. The civil penalty shall be imposed by an order of the supervisor upon a determination that a violation has been committed by the person charged, following notice to the person and an opportunity to be heard. The imposition of a civil penalty under this section shall be in addition to any other penalty provided by law for the violation. When establishing the amount of civil liability pursuant to this section, the supervisor shall consider, in addition to other relevant circumstances, (1) the extent of harm caused by the violation. (2) the persistence of the violation, and (3) the number of prior violations by the same violator.

(b) An order of the supervisor imposing a civil penalty shall be reviewable pursuant to Sections 3762 to 3771, inclusive. When the order of the supervisor has become final or has been upheld following exhaustion of the applicable review procedures, the supervisor may apply to the appropriate superior court for an order directing payment of the civil penalty.

(c) Any amount collected under this section shall be deposited in the General Fund.

SEC. 207. Section 5020.6 of the Public Resources Code is amended to read:

5020.6. (a) The Governor shall appoint the State Historic Preservation Officer. The director, in consultation with the

commission, shall submit to the Governor a list of persons to be considered for the position. The person appointed shall be knowledgeable about historical resources.

(b) The officer shall serve as the executive secretary of the commission and shall be the chief administrative officer of the State Office of Historic Preservation in the department.

(c) The officer shall have no responsibilities other than those provided by statute, executive order, and regulation, as well as any other duties the director assigns for the preservation and enhancement of the state's historical resources.

SEC. 208. The heading of Division 7.2 (commencing with Section 8700) of the Public Resources Code is amended and renumbered to read:

DIVISION 7.7. SCHOOL LAND BANK ACT

SEC. 209. Section 9314 of the Public Resources Code is amended to read:

9314. (a) The term of office of the five directors, except those first elected, shall be four years. The expiration of the term of any director does not constitute a vacancy, and the director shall hold office until his or her successor has qualified.

(b) As an alternative to the election of directors, the board of directors may request the board of supervisors of the principal county to appoint any directors, except those first elected. The board of directors shall file its request with the board of supervisors no later than the final filing date for candidates pursuant to Section 23512 or 23521.5 of the Elections Code. The board of supervisors shall, by ordinance, appoint directors from those candidates who have filed and not withdrawn nominating petitions pursuant to Section 23512 or 23521.5 of the Elections Code.

Appointment of directors by the board of supervisors does not affect the status of a district as an independent special district.

If the board of supervisors does not conduct interviews of potential candidates or make an appointment within 60 days after the expiration of the term, the board of directors may make the appointment.

SEC. 210. Section 31101 of the Public Resources Code is amended to read:

31101. (a) The members appointed under subdivisions (a) and (d) of Section 31100 shall serve for a term of four years. However, if a member is appointed under subdivision (d) by reason of his or her status as a locally elected official, his or her membership shall cease 60 days after his or her term of office as a locally elected official ceases, and the Governor may appoint another person to complete the remainder of his or her term. Any person appointed under subdivision (d) of Section 31100 shall not be disqualified for membership and may complete his or her term in the event he or she is elected to a local office after his or her appointment.

(b) Members appointed under subdivisions (a) and (d) of Section 31100 shall be compensated for attendance at regular meetings of the conservancy at the rate of one hundred dollars ($100) per day, and shall be reimbursed for the actual and necessary expenses, including traveling expenses, incurred in the performance of their duties.

SEC. 211. Section 779.1 of the Public Utilities Code, as added by Chapter 796 of the Statutes of 1984, is amended and renumbered to read:

779.2. (a) No electrical, gas, heat, telephone, or water corporation may terminate residential service for nonpayment of any delinquent account or other indebtedness owed by the customer or subscriber to any other person or corporation or when the obligation represented by the delinquent account or other indebtedness was incurred with a person or corporation other than the electrical, gas, heat, telephone, or water corporation demanding payment therefor.

(b) Subdivision (a) does not apply to a telephone corporation operating within service areas which furnishes billing services to the subscribers of a telephone corporation operating between service areas pursuant to tariffs on file with the commission providing for the furnishing of those billing services. The commission shall require that these tariffs also provide for adequate subscriber notice, review, and appeal procedures prior to any termination of service for nonpayment of a delinquent account.

(c) Subdivision (a) does not apply to any privately owned or publicly owned public utility which collects sanitation or sewerage charges for a public agency pursuant to agreement under Section 54346.2 of the Government Code or Section 5472.5 of the Health and Safety Code.

SEC. 212. Section 28746.6 of the Public Utilities Code is amended to read:

28746.6. A general district election for the election of directors whose terms are to expire in that year shall be held and conducted on the first Tuesday after the first Monday in November of each even-numbered year and shall be consolidated, where possible, with the general election held on that date.

SEC. 213. Section 99270 of the Public Utilities Code, as added by Chapter 1002 of the Statutes of 1979, is amended and renumbered to read:

99270.5. In determining whether there is compliance with Section 99268.1, 99268.2, 99268.3, 99268.4, 99268.5, or 99268.9, as the case may be, by operators serving the area of the San Francisco Bay Area Rapid Transit District, excluding the City and County of San Francisco, the Metropolitan Transportation Commission may make that determination for all or some of the operators as a group, if the Metropolitan Transportation Commission finds that the public transportation services of the operators grouped are coordinated.

SEC. 214. Section 3791.4 of the Revenue and Taxation Code, as added by Chapter 1873 of the Statutes of 1957, is repealed.

SEC. 215. Section 6357.5 of the Revenue and Taxation Code, as added by Chapter 1507 of the Statutes of 1970, is repealed.

SEC. 216. Section 7252 of the Revenue and Taxation Code is amended to read:

7252. "District," as used in this part, means any county, transit district, or rapid transit district authorized, or the Los Angeles County Transportation Commission or the Orange County Transportation Commission if authorized, to impose transaction and use taxes pursuant to this part.

If the measure to adopt the transaction and use tax pursuant to Section 130401 of the Public Utilities Code is not submitted to the electors of the County of Orange on or before December 31, 1985, then this section shall remain in effect only until January 1, 1986, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1986, deletes or extends that date. If that date is not deleted or extended, then, on and after January 1, 1986, pursuant to Section 9611 of the Government Code, Section 7252 of the Revenue and Taxation Code, as amended by Section 11 of Chapter 672 of the Statutes of 1977, shall have the same force and effect as if this temporary provision had not been enacted.

SEC. 217. Section 23735 of the Revenue and Taxation Code is amended to read:

23735. (a) In computing under Section 23732 the unrelated business taxable income for any taxable year the following shall apply:

(1) There shall be included with respect to each debt-financed property as an item of gross income derived from an unrelated trade or business an amount which is the same percentage (but not in excess of 100 percent) of the total gross income derived during the taxable year from or on account of that property as (A) the average acquisition indebtedness (as defined in paragraph (7) of subdivision (c)) for the taxable year with respect to the property is of (B) the average amount (determined under regulations prescribed by the Franchise Tax Board) of the adjusted basis of that property during the period it is held by the organization during that taxable year.

(2) There shall be allowed with respect to each debt-financed property, as a deduction to be taken into account in computing unrelated debt-financed income, an amount determined by applying (except as provided in the last sentence of this paragraph) the percentage derived under paragraph (1) to the sum determined under paragraph (3). The percentage derived under this paragraph shall not be applied with respect to the deduction of any capital loss resulting from the carryover of net capital losses under Section 18152.

(3) The sum referred to in paragraph (2) is the sum of the deductions under this part which are directly connected with the debt-financed property or the income therefrom, except that if the debt-financed property is of a character which is subject to the allowance for depreciation provided in Section 24349, the allowance shall be computed only by use of the straight line method.

(b) For the purpose of this section:

(1) "Debt-financed property" means any property which is held to produce income and with respect to which there is an acquisition indebtedness (as defined in subdivision (c)) at any time during the taxable year (or, if the property was disposed of during the taxable year, with respect to which there was an acquisition indebtedness at any time during the 12-month period ending with the date of the disposition), except that "debt-financed property" does not include any of the following:

(A) (i) Any property substantially all the use of which is substantially related (aside from the need of the organization for income or funds) to the exercise or performance by that organization of its charitable, educational, or other purpose of function constituting the basis for its exemption under Section 17631 or 23701.

(ii) Any property to which clause (i) does not apply, to the extent that its use is so substantially related.

(B) Except in the case of income excluded under paragraph (5) of subdivision (b) of Section 23732, any property to the extent that the income from that property is taken into account in computing the gross income of any unrelated trade or business.

(C) Any property to the extent that the income from that property is excluded by reason of paragraph (6), (7), or (8) of subdivision (b) of Section 23732 in computing the gross income of any unrelated trade or business.

(D) Any property to the extent that it is used in any trade or business described in subdivision (a), (b), or (c) of Section 23734. For purposes of subparagraph (A), substantially all the use of a property shall be considered to be substantially related to the exercise or performance by an organization of its charitable, educational, or other purpose or function constituting the basis for its exemption under Section 17631 or 23701, if the property is real property subject to a lease to a medical clinic entered into primarily for purposes which are substantially related (aside from the need of that organization for income or funds or the use it makes of the rents derived) to the exercise or performance by that organization of its charitable, educational, or other purpose or function constituting the basis for its exemption under Section 17631 or 23701.

(2) For purposes of applying subparagraphs (A), (C), and (D) of paragraph (1), the use of any property by an exempt organization which is related to an organization shall be treated as use by that organization.

(3) (A) If an organization acquires real property for the principal purpose of using the land (commencing within 10 years of the time of acquisition) in the manner described in subparagraph (A) of paragraph (1) and at the time of acquisition the property is in the neighborhood of other property owned by the organization which is used in that manner, the real property acquired for the future use shall not be treated as debt-financed property so long as the organization does not abandon its intent to so use the land within the

10-year period. The preceding sentence shall not apply for any period after the expiration of the 10-year period, and shall apply after the first five years of the 10-year period only if the organization establishes to the satisfaction of the Franchise Tax Board that it is reasonably certain that the land will be used in the described manner before the expiration of the 10-year period.

(B) If the first sentence of subparagraph (A) is inapplicable only because either of the following applies:

(i) The acquired land is not in the neighborhood referred to in subparagraph (A).

(ii) The organization (for the period after the first five years of the 10-year period) is unable to establish to the satisfaction of the Franchise Tax Board that it is reasonably certain that the land will be used in the manner described in subparagraph (A) of paragraph (1) before the expiration of the 10-year period, but the land is converted to that use by the organization within the 10-year period,

the real property (subject to subparagraph (D)) shall not be treated as debt-financed property for any period before the conversion. For purposes of this subparagraph, land shall not be treated as used in the manner described in subparagraph (A) of paragraph (1) by reason of the use made of any structure which was on the land when acquired by the organization.

(C) (i) Subparagraphs (A) and (B) shall apply with respect to any structure on the land when acquired by the organization, or to the land occupied by the structure, only if (and so long as) the intended future use of the land in the manner described in subparagraph (A) of paragraph (1) requires that the structure be demolished or removed in order to use the land in that manner.

(ii) Subparagraphs (A) and (B) shall not apply to structures erected on the land after the acquisition of the land.

(iii) Subparagraphs (A) and (B) shall not apply to property subject to a lease which is an "Article 2" lease (as defined in Section 23735a).

(D) If an organization for any taxable year has not used land in the manner to satisfy the actual use condition of subparagraph (B) before the time prescribed by law (including extensions thereof) for filing the return for that taxable year, the tax for that year shall be computed without regard to the application of subparagraph (B), but if and when that use condition is satisfied, subparagraph (B) shall then be applied to that taxable year. If the actual use condition of subparagraph (B) is satisfied for any taxable year after the time for filing the return, and if credit or refund of any overpayment for the taxable year resulting from the satisfaction of that use condition is prevented at the close of the taxable year in which the use condition is satisfied, by the operation of any law or rule of law (other than Section 25781, relating to closing agreements and compromises), credit or refund of the overpayment may nevertheless be allowed or made if claim therefor is filed before the expiration of one year after

the close of the taxable year in which the use condition is satisfied.

(E) In applying this paragraph to a church or convention or association of churches, in lieu of the 10-year period referred to in subparagraphs (A) and (B) a 15-year period shall be applied, and subparagraph (A) and clause (ii) of subparagraph (B) shall apply whether or not the acquired land meets the neighborhood test.

(c) For the purpose of this section:

(1) "Acquisition indebtedness" means with respect to any debt-financed property, the unpaid amount of all of the following:

(A) The indebtedness incurred by the organization in acquiring or improving that property.

(B) The indebtedness incurred before the acquisition or improvement of that property if the indebtedness would not have been incurred but for that acquisition or improvement.

(C) The indebtedness incurred after the acquisition or improvement of that property if the indebtedness would not have been incurred but for that acquisition or improvement and the incurrence of that indebtedness was reasonably foreseeable at the time of that acquisition or improvement; except that in case of any taxable year beginning before January 1, 1972, any indebtedness incurred before June 28, 1966, shall not be taken into account unless that indebtedness constitutes Article 2 lease indebtedness (as defined in Section 23735a).

(2) Property acquired subject to mortgage shall be subject to the following rules, exceptions, and limitations:

(A) Where property (no matter how acquired) is acquired subject to a mortgage or other similar lien, the amount of the indebtedness secured by that mortgage or lien shall be considered as an indebtedness of the organization incurred in acquiring that property even though the organization did not assume or agree to pay that indebtedness.

(B) Where property subject to a mortgage is acquired by an organization by bequest or devise, the indebtedness secured by the mortgage shall not be treated as acquisition indebtedness during a period of 10 years following the date of the acquisition. If an organization acquires property by gift subject to a mortgage which was placed on the property more than five years before the gift, which property was held by the donor more than five years before the gift, the indebtedness secured in that mortgage shall not be treated as acquisition indebtedness during a period of 10 years following the date of that gift. This subparagraph shall not apply if the organization, in order to acquire the equity in the property by bequest, devise, or gift, assumes and agrees to pay the indebtedness secured by the mortgage, or if the organization makes any payment for the equity in the property owned by the decedent or the donor.

(C) Where state law provides for either of the following:

(i) A lien for taxes.

(ii) A lien for assessments, made by a state or a political subdivision thereof attaches to property prior to the time when those

taxes or assessments become due and payable, then that lien shall be treated as similar to a mortgage (within the meaning of subparagraph (A)) but only after those taxes or assessments become due and payable and the organization has had an opportunity to pay those taxes or assessments in accordance with state law.

(3) An extension, renewal, or refinancing of an obligation evidencing a preexisting indebtedness shall not be treated, for the purpose of this section, as the creation of a new indebtedness.

(4) "Acquisition indebtedness" does not include indebtedness the incurrence of which is inherent in the performance or exercise of the purpose or function constituting the basis of the organization's exemption.

(5) "Acquisition indebtedness" does not include an obligation to pay an annuity which does the following:

(A) Is the sole consideration (other than a mortgage to which subparagraph (B) of paragraph (2) applies) issued in exchange for property if, at the time of the exchange, the value of the annuity is less than 90 percent of the value of the property received in the exchange.

(B) Is payable over the life of one individual in being at the time the annuity is issued or over the lives of two individuals in being at that time.

(C) Is payable under a contract which satisfies both of the following:

(i) Does not guarantee a minimum amount of payments or specify a maximum amount of payments.

(ii) Does not provide for any adjustment of the amount of the annuity payments by reference to the income received from the transferred property or any other property.

(6) "Acquisition indebtedness" does not include an obligation, to the extent that it is insured by the Federal Housing Administration, to finance the purchase, rehabilitation, or construction of housing for low- and moderate-income persons.

(7) "Average acquisition indebtedness" for any taxable year with respect to a debt-financed property means the average amount determined under regulations prescribed by the Franchise Tax Board, of the acquisition indebtedness during the period the property is held by the organization during the taxable year, except that for the purpose of computing the percentage of any gain or loss to be taken into account on a sale or other disposition of debt-financed property, that term means the highest amount of the acquisition indebtedness with respect to that property during the 12-month period ending with the date of the sale or other disposition.

(8) (A) Except as provided in subparagraph (B), "acquisition indebtedness" does not, for purposes of this section, include indebtedness incurred by a qualified organization in acquiring or improving any real property.

(B) Subparagraph (A) does not apply in any of the following cases:

(i) The price for the acquisition or improvement is not a fixed amount determined as of the date of the acquisition or the completion of the improvement.

(ii) The amount of any indebtedness or any other amount payable with respect to that indebtedness, or the time for making any payment of that amount, is dependent, in whole or in part, upon any revenue, income, or profits derived from that real property.

(iii) The real property is at any time after the acquisition leased by the qualified organization to the person selling that property to that organization or to any person who bears a relationship described in Section 267(b) or 707(b) of the Internal Revenue Code to that person.

(iv) The real property is acquired by a qualified trust from, or is at any time after the acquisition leased by that trust to, any person who satisfies either of the following:

(I) Bears a relationship which is described in subparagraph (C), (E), or (G) of Section 4975(e)(2) of the Internal Revenue Code to any plan with respect to which that trust was formed.

(II) Bears a relationship which is described in subparagraph (F) or (H) of Section 4975(e)(2) of the Internal Revenue Code to any person described in subclause (I).

(v) Any person described in clause (iii) or (iv) who provides the qualified organization with financing in connection with the acquisition or improvement.

(vi) The real property is held by a partnership unless the partnership meets the requirements of clauses (i) to (v), inclusive, and unless either of the following is met:

(I) All of the partners of the partnership are qualified organizations.

(II) Each allocation to a partner of the partnership which is a qualified organization is a qualified allocation within the meaning of Section 168(j)(9) of the Internal Revenue Code.

For purposes of subclause (I) of clause (vi), an organization shall not be treated as a qualified organization if any income of that organization would be unrelated business taxable income (determined without regard to this paragraph).

(C) For purposes of this paragraph, "qualified organization" means either of the following:

(i) An organization described in Section 170(b)(1)(A)(ii) of the Internal Revenue Code and its affiliated support organizations described in subdivision (a) of Section 23709.

(ii) Any trust which constitutes a qualified trust under Section 401 of the Internal Revenue Code.

(D) Rules similar to the rules of clause (vi) of subparagraph (B) shall also apply in the case of any pass-thru entity other than a partnership and in the case of tiered partnerships and other entities.

(d) If the property was acquired in a complete or partial liquidation of a corporation in exchange for its stock, the basis of the property, for the purposes of this article, shall be the same as it would

be in the hands of the transferor corporation, increased by the amount of gain recognized to the transferor corporation upon that distribution and by the amount of any gain to the organization which was included, on account of such distribution, in its unrelated business taxable income under subdivision (a).

(e) Where debt-financed property is held for purposes described in subparagraph (A), (B), (C), or (D) of paragraph (1) of subdivision (b) as well as for other purposes, proper allocation shall be made with respect to basis, indebtedness, and income and deductions. The allocations and exclusions required by this section shall be made in accordance with regulations prescribed by the Franchise Tax Board to the extent proper to carry out the purposes of this section.

(f) The Franchise Tax Board shall prescribe any regulations which may be necessary or appropriate to carry out the purposes of this section, including regulations to prevent the circumvention of any provision of this section through the use of segregated asset accounts.

SEC. 218. Section 24344 of the Revenue and Taxation Code is amended to read:

24344. (a) Except as limited by subdivision (b), there shall be allowed as a deduction all interest paid or accrued during the income year on indebtedness of the taxpayer.

(b) If income of the taxpayer is determined by the allocation formula contained in Section 25101, the interest deductible shall be an amount equal to interest income subject to allocation by formula, plus the amount, if any, by which the balance of interest expense exceeds interest and dividend income (except dividends deductible under Section 24402) not subject to allocation by formula. Interest expense not included in the preceding sentence shall be directly offset against interest and dividend income (except dividends deductible under Section 24402) not subject to allocation by formula.

SEC. 219. Section 24447 of the Revenue and Taxation Code is amended to read:

24447. No deduction shall be allowed to a corporation under this part for amounts paid as remuneration for personal services if that corporation fails to report the payments required under Section 13050 of the Unemployment Insurance Code or Section 18802 and 18802.2 on the date prescribed therefor (determined with regard to any extension of time for filing), unless it is shown that the failure is due to reasonable cause.

SEC. 220. Section 24520 of the Revenue and Taxation Code is amended to read:

24520. (a) For purposes of this chapter, a distribution shall be treated as in complete liquidation of a corporation if the distribution is one of a series of distributions in redemption of all of the stock of the corporation pursuant to a plan.

(b) The Franchise Tax Board shall prescribe those regulations as may be necessary to ensure that the purpose of subsections (a) and (b) of Section 222 of the Tax Equity and Fiscal Responsibility Act of

1982 (which repeal the special tax treatment for partial liquidations) may not be circumvented through the use of Sections 24512, 24513, 24514, 24516, 24521, 24532, and 24533, or any other provision of law or regulations.

SEC. 221. Section 25553.5 of the Revenue and Taxation Code is amended to read:

25553.5. The amount of tax payable by taxpayers subject to the tax imposed by Article 3 (commencing with Section 23181) of Chapter 2 as set forth in a notice mailed to those taxpayers pursuant to Section 23186.1 shall be due and payable on or before the 15th day following the mailing of the notice by the Franchise Tax Board.

SEC. 222. Section 26426 of the Revenue and Taxation Code is amended to read:

26426. (a) The Franchise Tax Board shall prescribe regulations providing standards for determining which returns shall be filed on magnetic media or in other machine-readable form. The Franchise Tax Board shall not require returns of any tax imposed by this part on individuals, estates, and trusts to be other than on paper forms supplied by the Franchise Tax Board. In prescribing those regulations, the Franchise Tax Board shall take into account, among other relevant factors, the ability of the taxpayer to comply at a reasonable cost with that filing requirement.

(b) Subdivision (a) is applicable only to taxpayers required to file returns on magnetic media or in other machine-readable form pursuant to Section 6011(e) of the Internal Revenue Code and the regulations adopted thereto. In addition, the regulations under subdivision (a) shall not require that returns filed on magnetic media or in other machine-readable form contain more information than is required to be included in similar returns filed with the Internal Revenue Service under Section 6011(e) of the United States Internal Revenue Code and the regulations adopted thereto.

(c) In lieu of the magnetic media or other machine-readable form returns required by this section, a copy of the similar magnetic media or other machine-readable form returns filed with the Internal Revenue Service pursuant to Section 6011(e) of the Internal Revenue Code, and the regulations adopted thereto, may be filed with the Franchise Tax Board.

SEC. 223. Section 2117 of the Streets and Highways Code is amended to read:

2117. Whenever a school district constructs a school building for which any apportionment is made pursuant to Chapter 6 (commencing with Section 15700) or Chapter 8 (commencing with Section 16000) of Part 10 of the Education Code, and the city or county in which the school building is situated requires the construction of any street or road connected with the school premises on which the school building is constructed, the State Allocation Board shall review the requirement and recommend to the governing body of the city or county a plan of construction adequate to meet the needs of the school district and the safety of

the public. If a different plan of improvement or improvement to higher standards than that recommended by the State Allocation Board is required by the governing body of the city or county, the additional cost thereof shall be borne by the city or county in which the school building is situated. Notwithstanding any other provision of this code or any other law limiting the purposes for which money apportioned to cities or counties from the Highway Users Tax Account in the Transportation Tax Fund may be expended, any of the money so apportioned may be expended for the construction of the streets or roads referred to in this section.

Nothing in this section requires each cost item included in any charge made pursuant to this section to be separately stated.

SEC. 224. Section 2127 of the Streets and Highways Code is amended to read:

2127. (a) In order to receive any allocation pursuant to Section 2126 or Section 7 of the act enacting this section, the city or county, as the case may be, shall expend for the maintenance and reconstruction, as defined in subdivision (d) of Section 2126, of its local street and highway system during each of the fiscal years that it receives an allocation pursuant to Section 2126 or that Section 7 not less than the sum of its base year expenditure and the allocations received during the fiscal year.

(b) (1) For purposes of this section, "base year expenditure" means the amount that the city or county, as the case may be, expended for patching, overlay and sealing, and reconstruction of its local street and highway system during the 1984–85 fiscal year, as reported to the Controller pursuant to Section 2151.

(2) If the sum of the funds received by a city or county pursuant to Section 500 of Title 16, Section 104 (b) (2) and (6) and Section 125 of Title 23, and Chapter 68 (commencing with Section 5121) of the Title 42 of the United States Code expended for the maintenance and reconstruction of its local street and highway system during the 1984–85 fiscal year, as reported to the Controller pursuant to Section 2151, is more than the sum of funds it received from those sources during any fiscal year, the base year expenditure of the city or county, as the case may be, for the fiscal year shall be reduced by the difference between the sums.

(c) For each fiscal year during which an allocation was made pursuant to Section 2126 or that Section 7, or both, the Controller shall audit the amount each county and city expended for the maintenance and reconstruction, as defined in subdivision (d) of Section 2126, of its local street and highway system during the fiscal year.

(d) If the Controller determines pursuant to subdivision (c) that a county or city, for the fiscal year, expended for the maintenance and reconstruction of its local street and highway system less than the required amount determined pursuant to subdivision (a), its allocation pursuant to Section 2104 or 2107, as the case may be, shall be reduced during the next fiscal year by the amount that its

expenditure is less than the required amount.

(e) Any funds withheld as a result of subdivision (d) of this section shall be reallocated to the other counties and cities whose expenditure is not less than its required amount pursuant to subdivision (b) or (c) of Section 2126, as the case may be.

SEC. 225. Section 976.6 of the Unemployment Insurance Code is amended to read:

976.6. In addition to other contributions required by this division, every employer, except an employer defined by Sections 676, 684, or 685, and except an employer which has elected an alternate method of financing its liability for unemployment compensation benefits pursuant to Article 5 (commencing with Section 801), or Article 6 (commencing with Section 821) of Chapter 3, shall pay into the Employment Training Fund contributions at the rate of 0.1 percent of wages specified in Section 930. The contributions shall be collected in the same manner and at the same time as any contributions required under Sections 977 and 977.5.

This section shall remain in effect only until January 1, 1991, and on that date is repealed, unless a later enacted statute, which is enacted before January 1, 1991, deletes or extends that date.

SEC. 226. Section 984 of the Unemployment Insurance Code is amended to read:

984. (a) (1) The rate of worker contributions for each calendar year commencing with the calendar year 1982 shall be the rate of worker contributions for the immediately preceding calendar year adjusted by the director pursuant to paragraphs (2) and (3), but in no event shall the rate exceed 1 percent nor be less than one-tenth of 1 percent. On or before October 31, 1981, and on or before October 31 of each subsequent calendar year, the director after making the adjustments in the rate of worker contributions for the specified preceding calendar year as required by paragraphs (2) and (3), shall prepare a statement which shall be a public record, declaring the rate of worker contributions for the calendar year and shall notify promptly all employers of employees covered for disability insurance of the rate.

(2) If the director finds that as of June 30th immediately preceding a calendar year the balance in the Disability Fund divided by the disbursements from that fund for the 12-month period ending on that June 30th equals or exceeds that fund adequacy percentage which appears on any line in column 1 of the following table but is less than that fund adequacy percentage which appears on the same line in column 2 of that table, the director shall adjust the rate of worker contributions for the calendar year which includes that June 30th by the percentage appearing on that same line in column 3 of that table for the purpose of determining the rate of worker contributions for the calendar year next succeeding that June 30th.

Line	Fund Adequacy Column 1	Fund Adequacy Column 2	Rate Adjustment Column 3
1	80%	No. limitation	−0.3%
2	65%	80%	−0.2%
3	50%	65%	−0.1%
4	25%	50%	0.0%
5	20%	25%	0.1%
6	15%	20%	0.2%
7	Less than 15%		0.3%

(3) If the director finds that the fund adequacy percentage computed by dividing the balance in the Disability Fund as of December 31st of a calendar year by the disbursements from that fund for the 12-month period ending on that December 31st, when subtracted from the fund adequacy percentage computed by dividing the balance in the Disability Fund on the next succeeding June 30th by the disbursements from that fund for the 12-month period ending on that June 30th, equals or exceeds that percentage which appears on any line in column 1 of the following table but is less than the percentage which appears on the same line in column 2 of that table, the director shall adjust the rate of worker contributions for the calendar year which includes that June 30th by the percentage appearing on that same line in column 3 of that table, for the purpose of determining the rate of worker contributions for the calendar year next succeeding that June 30th.

Line	Difference in Fund Adequacy Column 1	Difference in Fund Adequacy Column 2	Rate Adjustment Column 3
1	−15% or more		0.4%
2	−10%	−15%	0.3%
3	−5%	−10%	0.2%
4	Less than 0.0%	−5%	0.1%
5	0.0%	5%	0.0%
6	5%	10%	-0.0%
7	10%	15%	-0.1%
8	15%	20%	-0.2%
9	20% or more		-0.3%

(b) Worker contributions required under Sections 708 and 708.5 shall be at a rate determined by the director to reimburse the Disability Fund for unemployment compensation disability benefits paid and estimated to be paid to all employers and self-employed individuals covered by those sections. On or before November 30th of each calendar year, the director shall prepare a statement, which

shall be a public record, declaring the rate of contributions for the succeeding calendar year for all employers and self-employed individuals covered under Sections 708 and 708.5 and shall notify promptly those employers and self-employed individuals of the rate. The rate shall be determined by dividing the estimated benefits paid in the prior year by the product of the annual remuneration deemed to have been received under Sections 708 and 708.5 and the estimated number of persons who were covered at any time in the prior year. The resulting rate shall be rounded to the next higher one-hundredth percentage point. The rate may also be reduced or increased by a factor estimated to maintain as nearly as practicable a cumulative zero balance in the funds contributed pursuant to Sections 708 and 708.5. Estimates made pursuant to this subdivision may be made on the basis of statistical sampling, or other method determined by the director.

(c) The director's action in determining a rate under this section shall not constitute an authorized regulation.

SEC. 227. Section 986.5 of the Unemployment Insurance Code is repealed.

SEC. 228. Section 987.5 of the Unemployment Insurance Code is repealed.

SEC. 229. Section 987.7 of the Unemployment Insurance Code is amended to read:

987.7. (a) If the worker contributions required in any one month to be made because of the receipt of cash tips and cash gratuities exceed the wages of the worker under the control of the employer, the worker may furnish the employer, on or before the 10th day of the following month, or, if the amounts are estimated, on or before the last day of the month following the calendar quarter, an amount equal to the excess.

(b) If the worker contributions required by Section 984 with respect to cash tips and cash gratuities exceed the amount of worker contributions which can be collected by the employer from the wages of the worker, the excess shall be paid by the worker, except as provided by Section 1088.5. The worker shall pay the excess to the department within 30 days from his receipt of the written statement furnished by his employer pursuant to Section 1088.5. If the worker fails to pay the excess within the time required by this subdivision, the director may make an assessment for the excess and shall give the worker a written notice of the assessment. The provisions of Article 8 (commencing with Section 1126) of this chapter with respect to the assessment of contributions and the provisions of Chapter 7 (commencing with Section 1701) of this part with respect to the collection of contributions shall apply to the recovery of amounts under this subdivision.

(c) The director may offset amounts assessed pursuant to subdivision (b) of this section against any refund payable to the worker under Section 1176.5 or against any amount of disability benefits to which he may become entitled under Part 2

(commencing with Section 2601) of this division within any of the following periods:

(1) The current disability benefit period.

(2) One year from the beginning date of any disability benefit period which begins during the three-year period next succeeding the service of notice of the assessment.

SEC. 230. Section 1085 of the Unemployment Insurance Code is amended to read:

1085. Every employing unit shall keep a true and accurate work record of:

(a) All his workers and their status, i.e., employed, on layoff or leave of absence.

(b) The wages paid by him to each worker.

(c) Such other information as the director deems necessary to proper administration of this division.

SEC. 231. Section 1088.5 of the Unemployment Insurance Code is repealed.

SEC. 232. Section 1222 of the Unemployment Insurance Code is amended to read:

1222. Within 30 days of service of any notice of assessment or denial of claim for refund or credit under Sections 803, 821, 844, or 991, or of any notice under Sections 704.1, 1035, 1055, 1131, 1142, 1180, 1184, 1733, and 1735, any employing unit or other person given such a notice, or any employing unit affected by a granting or denial of a transfer of reserve account, may file a petition for review or reassessment with an administrative law judge. The administrative law judge may for good cause grant an additional 30 days for the filing of a petition. If a petition for reassessment is not filed within the 30-day period, or within the additional period granted by the administrative law judge, an assessment is final at the expiration of the period. If a petition for review of a termination of elective coverage under Section 704.1 is not filed within the 30-day period, or within the additional period granted by the administrative law judge, the termination is final at the expiration of the period. If the director fails to serve notice of his or her action within 60 days after a claim for refund or credit is filed, the person or employing unit may consider the claim denied and file a petition with an administrative law judge.

SEC. 233. Section 9973 of the Unemployment Insurance Code is amended to read:

9973. (a) Contingent upon funding provided in the Budget Act of 1982, the Employment Development Department, in conjunction with the Department of Education, the Chancellor's Office of the California Community Colleges, the Department of Commerce, and the Department of Industrial Relations, shall submit to the Legislature within 90 days of the effective date of this chapter, a plan for the administration and implementation of this chapter. The information shall be submitted to the fiscal and policy committees of both houses of the Legislature.

(b) The Employment Development Department, in conjunction with the Department of Education, the Chancellor's Office of the California Community Colleges, the Department of Commerce, and the Department of Industrial Relations, shall annually, beginning in 1983, on or before the first day of November, submit to the Legislature an evaluation of the regional employment assessment, job search assistance, and placement services for displaced workers established pursuant to this chapter. The evaluation of the effectiveness of this chapter shall rely on readily available data and shall measure the economic and social impact reasonably attributable to this chapter.

(c) The annual evaluations required pursuant to subdivision (b) shall include reports on the programs and services provided and on the progress in implementing the provisions of this chapter and shall include recommendations to improve program implementation, including recommended statutory and regulatory changes at the state or federal levels.

SEC. 234. Section 15002 of the Unemployment Insurance Code is amended to read:

15002. The following definitions shall govern the construction of this division:

(a) "Director" means the Director of the department selected by the Governor to administer the provisions of this division.

(b) "Department" means the department selected by the Governor to administer the provisions of this division.

(c) "Local council" means the private industry council established in accordance with the provisions of this division.

(d) "State council" means the State Job Training Coordinating Council established under Chapter 4.5 (commencing with Section 15035) of Division 8.

(e) "State Occupational Information Coordinating Committee" means a committee composed of the Director of Employment Development, the Director of Commerce, the Superintendent of Public Instruction, the Chancellor of the California Community Colleges, the Director of Rehabilitation, and the chair of the state council or their designees, and the Executive Secretary of the Council for Private Postsecondary Institutions in the Department of Education.

(f) "Service Delivery Area plan" means that plan prepared for the service delivery area which satisfies the requirements of a Job Training Plan under the provisions of the federal Job Training Partnership Act and the additional requirements of this division.

SEC. 235. Section 15056.6 of the Unemployment Insurance Code is amended to read:

15056.6. In order to ensure compliance with subdivision (g) of Section 15032, the department shall provide training and technical assistance to service delivery areas in developing nontraditional employment training programs for women.

SEC. 236. Section 15077 of the Unemployment Insurance Code is

amended to read:

15077. The department shall, with the assistance of the California Economic Adjustment Team established pursuant to Article 3.5 (commencing with Section 15340) of Chapter 1 of Part 6.7 of Division 3 of the Government Code, do all of the following:

(a) Review and approve the plans for displaced workers assistance programs submitted by private industry councils.

(b) Coordinate displaced workers assistance efforts in situations where plant closures or layoffs within an industry have a significant statewide impact.

(c) Encourage and coordinate early identification of situations of potential plant closures, and provide any assistance which may be necessary to alleviate economic dislocation.

(d) Provide assistance to the Department of Commerce in active recruitment of replacement industries or establishments.

(e) Cooperate with the Employment Training Panel in the coordination of training and services for displaced workers eligible under Chapter 3.5 (commencing with Section 10200) of Part 1 of Division 3.

(f) Serve as the state agency providing any information and procedural activities which may be required by the federal government to ensure federal funding.

(g) Provide for the submission of applications to the United States Secretary of Labor for additional federal funding to the state in accordance with the national program defined in Section 301 of Public Law 97-300.

(h) Recommend to the Governor necessary components of state plans under the jurisdiction of other state offices, departments or agencies which administer programs appropriate for coordination with displaced worker assistance programs, pursuant to the provisions of this chapter and Section 308 of Public Law 97-300.

SEC. 237. Section 387 of the Vehicle Code is amended to read:

387. "Manufactured home" is a manufactured home, as defined in Section 18007 of the Health and Safety Code, a commercial coach, as defined in Section 18001.8 of the Health and Safety Code, a mobilehome, as defined in Section 18008 of the Health and Safety Code, factory-built housing, as defined in Section 19971 of the Health and Safety Code, and a trailer coach which is in excess of 8 feet in width or in excess of 40 feet in length. Manufactured home does not include a recreational vehicle, as defined in Section 18010 of the Health and Safety Code.

SEC. 238. Section 1670 of the Vehicle Code, as added by Chapter 526 of the Statutes of 1985, is amended and renumbered to read:

1672. (a) The department shall make available, in the public area of each office of the department where applications for driver's licenses are received, space for a sign or notice briefly describing the Uniform Anatomical Gift Act (Chapter 3.5 (commencing with Section 7150) of Part 1 of Division 7 of the Health and Safety Code) and informing the public that the necessary forms for making an

anatomical gift are available.

(b) The department shall make available to the public in its offices a pamphlet or brochure providing more detailed information on the making of anatomical gifts.

(c) The signs, notices, pamphlets, and brochures specified in subdivisions (a) and (b) shall be provided without cost to the department by responsible private parties associated with the anatomical gift program.

SEC. 239. Section 1808.6 of the Vehicle Code is amended to read:

1808.6. (a) The department may withhold from public inspection the most recent conviction on the driving record of a person whose driving record shows a point count of three or more points pursuant to Section 12810 if all of the following requirements are met:

(1) The most recent conviction has a value of one point pursuant to Section 12810.

(2) The person participated in any of the department's traffic safety programs that proved effective during the demonstration program authorized pursuant to Section 1808.6, as added by Chapter 544 of the Statutes of 1980.

(3) For a period of six months or more, the person has not been involved in a traffic accident, has not committed an offense under this code which is reportable under Section 1803 or 1816, or has not committed a violation of Section 40508.

(b) The record of a conviction withheld from public inspection under subdivision (a) shall be disclosed to any court, law enforcement agency, or peace officer.

(c) For purposes of this section, "conviction" has the same meaning as in Sections 13103 and 13105.

(d) This section shall remain in effect only until January 1, 1991, and as of that date is repealed, unless a later enacted statute, which is enacted on or before January 1, 1991, deletes or extends that date.

SEC. 240. Section 6700.5 of the Vehicle Code is repealed.

SEC. 241. Section 23206.5 of the Vehicle Code, as added by Chapter 1256 of the Statutes of 1985, is amended and renumbered to read:

23206.1. In addition to any other provision of this code, if any person is convicted of a violation of Section 23152 or 23153, the court shall consider a concentration of alcohol in the person's blood of 0.20 percent or more, by weight, or the refusal of the person to take a chemical test as a special factor which may justify enhancing the penalties in sentencing, in determining whether to grant probation, and, if probation is granted, in determining additional or enhanced terms and conditions of probation.

SEC. 242. Section 42270 of the Vehicle Code is amended to read:

42270. (a) The Department of Motor Vehicles and the Department of the California Highway Patrol each shall file, at least monthly with the Controller, a report of money received by the department covering all fees for applications accepted by the

department and all other moneys received by the department under this code and, at the same time, shall remit all money so reported to the Treasurer. On order of the Controller, the Treasurer shall deposit in the Motor Vehicle Account in the State Transportation Fund, into which is merged the Motor Vehicle Account in the Transportation Tax Fund, all moneys so reported and remitted.

Any reference in any law or regulation to the Motor Vehicle Fund, or to the Motor Vehicle Account in the Transportation Tax Fund, shall be deemed to refer to the Motor Vehicle Account in the State Transportation Fund, which is created by subdivision (a) of Section 42271.

(b) The amount of any penalties collected by the department pursuant to Sections 9553 and 9554 of this code and Sections 10770 and 10854 of the Revenue and Taxation Code shall, for purposes of subdivision (a), be deemed to be a percentage of the weight fee, registration fee, and vehicle license fee obtained when applying the total of these fees collected, excluding use tax, against the individual weight fees, registration fees, and vehicle license fees collected on each application. Penalties which cannot be allocated in accordance with this subdivision shall be allocated according to subdivision (c).

(c) The amount of any penalties collected by the department, as provided in Sections 9553 and 9554 of this code and Sections 10770 and 10854 of the Revenue and Taxation Code which cannot be allocated in accordance with subdivision (b), shall, for the purposes of subdivision (a), be deemed to be a percentage of the total fees allocated under this section and under Section 11001 of the Revenue and Taxation Code equal to that percentage of the ratio based on the fees previously allocated under this section and under Section 11001 of the Revenue and Taxation Code in the fiscal year preceding the calendar year for which the penalties are to be allocated. That ratio shall be reevaluated periodically and shall be adjusted to reflect any change in the fee structure that may be provided in this code or in Part 5 (commencing with Section 10701) of Division 2 of the Revenue and Taxation Code.

SEC. 243. Section 128 of the Water Code is amended to read:

128. (a) In times of extraordinary stress and of disaster, resulting from storms and floods, or where damage to watershed lands by forest fires has created an imminent threat of floods and damage by water, mud, or debris upon the occurrence of storms, the department may perform any work required or take any remedial measures necessary to avert, alleviate, repair, or restore damage or destruction to property having a general public and state interest and to protect the health, safety, convenience, and welfare of the general public of the state. In carrying out that work, the department may perform the work itself or through or in cooperation with any other state department or agency, the federal government, or any political subdivision, city, or district.

(b) This section is intended to supplement the emergency services of the state, and nothing in this section overrides or

supersedes the authority of the Director of the Office of Emergency Services to coordinate and supervise state action, upon a declaration of a state of emergency, under the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2 of the Government Code) or the Natural Disaster Assistance Act (Chapter 7.5 (commencing with Section 8680) of that division).

SEC. 244. Section 22 of the Welfare and Institutions Code, as added by Chapter 1207 of the Statutes of 1978, is amended and renumbered to read:

26. (a) For purposes of this code, "assessed value" means 25 percent of full value to, and including, the 1980–81 fiscal year, and 100 percent of full value for the 1981–82 fiscal year and fiscal years thereafter; and tax rates shall be expressed in dollars, or fractions thereof, on each one hundred dollars ($100) of assessed value to and including the 1980–81 fiscal year and as a percentage of full value for the 1981–82 fiscal year and fiscal years thereafter.

(b) Whenever this code requires comparison of assessed values, tax rates or property tax revenues for different years, the assessment ratios and tax rates shall be adjusted as necessary so that the comparisons are made on the same basis, and the same amount of tax revenues would be produced, or the same relative value of an exemption or subvention will be realized regardless of the method of expressing tax rates or the assessment ratio utilized.

(c) For purposes of expressing tax rates on the same basis, a tax rate based on a 25 percent assessment ratio and expressed in dollars, or fractions thereof, for each one hundred dollars ($100) of assessed value may be multiplied by a conversion factor of twenty-five hundredths of 1 percent to determine a rate comparable to a rate expressed as a percentage of full value; and, a rate expressed as a percentage of full value may be multiplied by a factor of 400 to determine a rate comparable to a rate expressed in dollars, or fractions thereof, for each one hundred dollars ($100) of assessed value and based on a 25 percent assessment ratio.

SEC. 245. Section 350 of the Welfare and Institutions Code is amended to read:

350. (a) The judge of the juvenile court shall control all proceedings during the hearings with a view to the expeditious and effective ascertainment of the jurisdictional facts and the ascertainment of all information relative to the present condition and future welfare of the person upon whose behalf the petition is brought. Except where there is a contested issue of fact or law, the proceedings shall be conducted in an informal nonadversary atmosphere with a view to obtaining the maximum cooperation of the minor upon whose behalf the petition is brought and all persons interested in his or her welfare with such provisions as the court may make for the disposition and care of the minor.

(b) The testimony of a minor may be taken in chambers and outside the presence of the minor's parent or parents, if the minor's parent or parents are represented by counsel, the counsel is present

and any of the following circumstances exist:

(1) The court determines that testimony in chambers is necessary to insure truthful testimony.

(2) The minor is likely to be intimidated by a formal courtroom setting.

(3) The minor is afraid to testify in front of his or her parent or parents.

After testimony in chambers, the parent or parents of the minor may elect to have the court reporter read back the testimony or have the testimony summarized by counsel for the parent or parents.

The testimony of a minor also may be taken in chambers and outside the presence of the guardian or guardians of a minor under the circumstances specified in this subdivision.

SEC. 246. Section 362.3 of the Welfare and Institutions Code, as added by Chapter 813 of the Statutes of 1984, is amended and renumbered to read:

362.4. When the juvenile court terminates its jurisdiction over a minor who has been adjudged a dependent child of the juvenile court prior to the persons' attainment of the age of 18 years, and either proceedings for the declaration of the nullity or dissolution of the marriage of the minor's parents are pending in the superior court of the same county, or an order has been entered with regard to the custody of that minor, the juvenile court on its own motion, may issue an order directed to either of the parents enjoining any action specified in paragraph (2) or (3) of subdivision (a) of Section 4359 of the Civil Code or determining the custody of or visitation with the child.

Any order issued pursuant to this section shall continue until modified or terminated by a subsequent order of the superior court. The order of the juvenile court shall be filed in the proceeding for nullity or dissolution at the time the juvenile court terminates its jurisdiction over the minor, and shall become a part thereof.

SEC. 247. Section 729 of the Welfare and Institutions Code, as added by Chapter 297 of the Statutes of 1982, is amended and renumbered to read:

729.1. (a) If a minor is found to be a person described in Section 602 by reason of the commission of a crime which takes place on a public transit vehicle, and the court does not remove the minor from the physical custody of the parent or guardian, the court as a condition of probation, except in any case in which the court makes a finding and states on the record its reasons that the condition would be inappropriate, shall require the minor to wash, paint, repair or replace the damaged or destroyed property, or otherwise make restitution to the property owner. If restitution is found to be inappropriate, the court, except in any case in which the court makes a finding and states on the record its reasons that the condition would be inappropriate, shall require the minor to perform specified community service. Nothing in this section shall be construed to limit the authority of a juvenile court to provide conditions of probation.

(b) As used in subdivision (a), "public transit vehicle" means any motor vehicle, street car, trackless trolley, bus, shuttle, light rail system, rapid transit system, subway, train, taxi cab, or jitney, which transports members of the public for hire.

SEC. 248. Section 1752.82 of the Welfare and Institutions Code, as added by Chapter 494 of the Statutes of 1984, is amended and renumbered to read:

1752.83. (a) It is the intent of the Legislature that wards of the Youth Authority be held accountable for intentional damage and destruction of public property committed while they are confined in Youth Authority facilities. To that end, and notwithstanding the provisions of Sections 1752.8 and 1752.81, the Youth Authority may deduct from a ward's trust fund any amounts that are necessary to pay for intentional damage to public property caused by the ward while confined within an institution or other facility of the Youth Authority.

(b) The Youth Authority shall utilize the procedures in its regulations for disciplinary actions to determine whether the damage or destruction was intentionally caused by the ward and, if so, to determine the amount to be deducted to pay for the damage or destruction.

(c) Funds that are deducted shall remain with the Youth Authority and shall be used to repair or replace the public property damaged or destroyed as provided for in the Budget Act for that fiscal year.

SEC. 249. Section 4302 of the Welfare and Institutions Code, as added by Chapter 1191 of the Statutes of 1980, is repealed. The repeal made by this section shall not affect the existence or validity of Section 4302 of the Welfare and Institutions Code, as added by Chapter 1252 of the Statutes of 1977.

SEC. 250. Section 4473 of the Welfare and Institutions Code, as added by Chapter 429 of the Statutes of 1978, is amended and renumbered to read:

4474. Each patient in a state hospital for the developmentally disabled who has resided in the state hospital for a period of at least 30 days shall be paid an amount of aid for his or her personal and incidental needs which when added to his or her income equals twelve dollars and fifty cents ($12.50) per month.

SEC. 251. The heading of Chapter 6 (commencing with Section 5500) of Part 1 of Division 5 of the Welfare and Institutions Code is amended and renumbered to read:

CHAPTER 6.2. MENTAL HEALTH ADVOCACY

SEC. 252. Section 9132 of the Welfare and Institutions Code is amended and renumbered to read:

9832. In order to build upon long-term care expertise and experience, the department shall establish guidelines and criteria whereby long-term care demonstration projects and model

programs which provide medical and social services operating in local areas immediately prior to the enactment of this part may contract directly with the state, so long as no conflict exists with the action plan as approved by the Legislature, as specified in Article 1.8 (commencing with Section 16369) of Chapter 2 of Part 2 of Division 4 of Title 2 of the Government Code.

SEC. 253. Chapter 4.7 (commencing with Section 9390) of Division 8.5 of the Welfare and Institutions Code, as added by Chapter 1626 of the Statutes of 1984, is repealed. The repeal made by this section shall not affect the existence or validity of Chapter 4.7 (commencing with Section 9390) of Division 8.5 of the Welfare and Institutions Code, as added by Chapter 1637 of the Statutes of 1984.

SEC. 254. Chapter 4.8 (commencing with Section 9396) is added to Division 8.5 of the Welfare and Institutions Code, to read:

CHAPTER 4.8. COMMUNITY CARE FACILITY DEMONSTRATION PROJECT FOR THE ELDERLY

9396. (a) There is hereby established the Community Care Facility Demonstration Project for the Elderly in accordance with the provisions of this section. The Multipurpose Senior Services Program shall administer the Community Care Facilities Demonstration Project for the Elderly. The Multipurpose Senior Services Program may contract with the State Department of Health Services for the utilization of funds from the Health Care Deposit Fund upon determination that the demonstration project qualifies for federal financial participation as stipulated in subdivision (e).

(b) The Multipurpose Senior Services Program shall contract with two local Multipurpose Senior Services Program sites to serve as demonstration sites. One site shall be in the northern and one in the southern part of the state. The sites shall be selected through a request for proposal process.

(c) The project shall serve a selected number of frail elderly persons, whose current medical assessment does not indicate the need for long-term intermediate or skilled nursing care. "Frail elderly persons," for purposes of this chapter, means those persons as defined in Section 9111 who meet current Medi-Cal criteria for being "certified" or "certifiable" for admission into intermediate or skilled nursing care facilities, and whom a physician has determined may remain in a community care facility with services as provided for by this section. Participating facilities shall be limited to those licensed community care facilities serving adults, as defined in Section 80001 of Title 22 of the California Administrative Code. During the demonstration project a total of 120 persons at any one time shall be served in the two local Multipurpose Senior Services Program sites selected for participation under this chapter. Personal care services shall be purchased through the use of funds appropriated for purposes of Chapter 7 (commencing with Section 14000) of Part 3 of Division 9. Participation by a person or a

community care facility shall be voluntary. Personal care provided pursuant to this chapter shall supplement, and not replace, personal care provided by community care facilities pursuant to statutory and regulatory requirements which are required to be met in order to obtain and maintain a community care facility license. This supplemental care shall be provided only when the level of care needed by a person participating under this chapter exceeds that which can be provided by the community care facility pursuant to existing statutory and regulatory requirements which are required to be met in order to obtain and maintain a community care facility license. Determination as to the necessary level of care shall be based on an assessment of need performed initially, and at six-month intervals thereafter by the case manager.

(d) The pilot project shall be operated for a period of three years. The Multipurpose Senior Services Program shall submit an evaluation of this project to the Legislature not later than July 1, 1988. The evaluation shall do all of the following:

(1) Describe the service providers and the services they provide and compare them to services provided to persons within skilled nursing, intermediate care, and nonmedical community care facilities and persons receiving home health services while residing in their own homes.

(2) Describe the program participants and compare them to those residing in skilled nursing, intermediate care, and nonmedical community care facilities and persons receiving home health services while in their own homes.

(3) Contain a description of the criteria used to select participants and compare them to criteria used to determine who would be more suitably cared for in skilled nursing or intermediate care facilities.

(4) Compare the total governmental costs incurred for persons participating in this project with the costs of care provided by skilled nursing facilities.

(5) Assess the extent to which the demonstration project, in fact, did delay or prevent care in an intermediate or skilled nursing facility and the cost effectiveness of the project.

(e) Implementation of the demonstration project is dependent upon the availability of federal financial participation for the services to be provided.

Implementation of the project shall be subject to receipt of required waivers or waiver amendments. Use of existing federal waivers and existing program authority shall be the first priority for implementation of this chapter. The Multipurpose Senior Services Program shall seek new waivers from the federal government if implementation cannot be carried out through existing waivers or existing categorical programs. The Secretary of the Health and Welfare Agency shall have the authority to waive existing state statutes or regulations at the request of the Multipurpose Senior Services Program that would prohibit or restrict the ability of the Multipurpose Senior Services Program to provide for the services

authorized by this section.

(f) This chapter shall remain in effect only until January 1, 1989, and as of that date is repealed, unless a later enacted statute enacted prior to January 1, 1989, extends or deletes that date. This demonstration project shall not be extended or expanded unless conclusive evidence has been presented to the Legislature showing that it has been cost-effective and can be replicated.

SEC. 255. The heading of Chapter 8 (commencing with Section 9540) of Division 8.5 of the Welfare and Institutions Code is amended and renumbered to read:

CHAPTER 7.5. FOSTER GRANDPARENT PROGRAM

SEC. 256. Section 11312 of the Welfare and Institutions Code, as added by Chapter 1129 of the Statutes of 1984, is amended and renumbered to read:

11313. (a) For purposes of this section, "refugees" is defined as that term is defined in the Federal Refugee Act of 1980 (P.L. 96-212), except that this section does not apply to any refugee included in the Refugee Cash Assistance Demonstration Project established under Chapter 5.2 (commencing with Section 13200).

(b) A refugee required to participate in the WIN program pursuant to Section 11310 shall be required, as a condition of eligibility under this chapter, and subject to the sanctions specified in Section 11308, to participate in programs funded by the Federal Office of Refugee Resettlement if these programs are deemed by the Employment Development Department as appropriate programs to prepare a refugee for employment. WIN program cases currently designated as unclassified shall have the first priority for referral.

(c) A refugee participating in the WIN program pursuant to this section shall have the same rights to receive support services as any other WIN program participant.

(d) A refugee participating in the WIN program pursuant to this section shall have all rights provided to any other WIN program recipient pursuant to Chapter 4 (commencing with Section 5300) of Division 2 of the Unemployment Insurance Code.

(e) The department, together with the State Department of Social Services, shall seek additional federal funding to pay for allowances, training-related expenses, work-related expenses, incentive payments, and other supportive service payments.

Except for this subdivision, this section shall be implemented only if adequate federal funding is made available. In determining whether adequate funds are available, pursuant to this subdivision, federal work incentive program funding shall not be included.

SEC. 257. Article 3.8 (commencing with Section 11347) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code, as added by Chapter 522 of the Statutes of 1984, is repealed.

SEC. 258. Article 3.85 (commencing with Section 11348.5) is added to Chapter 2 of Part 3 of Division 9 of the Welfare and

Institutions Code, to read:

Article 3.85. Work Incentive Demonstration Program

11348.5. It is the intent of the Legislature to improve the efficiency of work-related services provided to applicants and recipients of the Aid to Families with Dependent Children program. Toward the achievement of this end, and notwithstanding any other provision of law, the State Department of Social Services shall have authority to establish a Work Incentive Demonstration Program in accordance with Section 445 of the federal Social Security Act (42 U.S.C. Sec. 645). The Work Incentive Demonstration Program shall provide for no more than the following:

(a) County welfare departments shall have the responsibility for registering applicants and recipients for the program.

(b) In implementing the program, the State Department of Social Services shall contract with the Employment Development Department to provide services pursuant to Division 2 (commencing with Section 5000) of the Unemployment Insurance Code to applicants and recipients of aid under this chapter who are registered under subdivision (a) of Section 11310. Under the terms of the contract, the Employment Development Department is authorized to carry out any or all of the functions specified in Division 2 (commencing with Section 5000) of the Unemployment Insurance Code, except as otherwise provided under subdivision (c).

(c) The State Department of Social Services shall conduct the hearings regarding any dispute which concerns issues under the Work Incentive Demonstration Program. "Good cause" shall be as defined in Sections 5007 and 5007.5 of the Unemployment Insurance Code. The hearings shall be requested and conducted under the provisions of Chapter 7 (commencing with Section 10950) of Part 2. Nothing in this section precludes the registrant's right to conciliation efforts as specified in Section 5302 of the Unemployment Insurance Code.

(d) The department shall reduce the amount of reporting to the federal government to the extent permitted by federal Work Incentive Demonstration Program regulations.

SEC. 259. Section 14005.10 of the Welfare and Institutions Code, as added by Chapter 1181 of the Statutes of 1984, is amended and renumbered to read:

14005.5. (a) In determining eligibility pursuant to Section 14005.4 or 14005.7, reparation payments received by victims of the Nazi persecution from the Federal Republic of Germany pursuant to the Federal Law on the Compensation of Victims of the National Socialist Persecution (Federal Compensation Law), as enacted by that government on June 29, 1956, shall not be deemed as available income.

(b) The director shall seek federal waivers from the Secretary of the United States Department of Health and Human Services, in

order to ensure federal financial participation. In the event of an initial determination by the Secretary of the United States Department of Health and Human Services that any provision of this section is in conflict with any federal statute or regulation, the department shall take all available and necessary steps to obtain a final determination reversing that decision. In the event that a final determination is made which finds a conflict with federal law, the director shall immediately request the Attorney General to seek judicial review of the determination, and the director shall notify the appropriate policy and fiscal committees of both houses of the Legislature of its request. Notwithstanding the outcome of the director's efforts to obtain waivers under this subdivision, or a final judicial decision holding that any provision of this section is in conflict with federal law, subdivision (a) shall be implemented on July 1, 1985, or the date upon which waivers are obtained under this subdivision, whichever is earlier. Failure to obtain waivers pursuant to this subdivision shall not affect implementation of subdivision (a).

SEC. 260. Section 14005.10 of the Welfare and Institutions Code, as added by Chapter 1199 of the Statutes of 1984, is amended and renumbered to read:

14005.6. (a) The Legislature finds and declares as follows:

(1) Under federal law, minors living at home with their families may not be eligible for the SSI and Medicaid programs.

(2) Under the Federal Budget Reconciliation Act of 1981, however, states may apply for a Section 1915(c) waiver to allow a person to be eligible for SSI and Medicaid when medical and social services provided in the home can be shown to be less costly than services provided in an institution.

(3) Whenever possible, medical and social services should be provided in the least restrictive setting and at the lowest cost to the programs involved.

(4) The State Department of Health Services has already successfully applied for the Section 1915(c) waiver as applied to certain defined populations of developmentally disabled, elderly, and medically acute clients.

(b) The State Director of Health Services shall apply for additional waivers when appropriate to expand the number and types of persons who will be eligible for in-home services.

(c) The State Director of Health Services shall report to the Legislature the department's findings as to the appropriateness of, and the possibility for, additional applications for the Section 1915(c) waivers no later than July 30, 1985.

SEC. 261. Section 14022.3 of the Welfare and Institutions Code, as added by Chapter 10 of the Statutes of 1985, is repealed. The repeal made by this section shall not affect the existence or validity of Section 14022.3 of the Welfare and Institutions Code, as added by Chapter 11 of the Statutes of 1985.

SEC. 262. Section 14105.1 of the Welfare and Institutions Code, as amended by Chapter 1333 of the Statutes of 1985, is amended and

renumbered to read:

14105.15. (a) In determining rates of reimbursement for inpatient hospital services the department shall use reimbursement policy existing on the date prior to the effective date of this act. The director shall have authority to modify this reimbursement policy. The director shall implement a new reimbursement policy of peer grouping of hospitals through the promulgation of emergency regulations after required federal approvals are obtained. The department may adjust interim payment percentages to hospitals in order to approximate final settlement and may control or freeze charges in order to carry out the provisions of this section. The provisions of this section shall cease to apply to a hospital when the department enters into a contract, pursuant to Article 2.6 (commencing with Section 14081), either with that hospital or with other hospitals to the exclusion of that hospital for services covered under the contracts.

(b) Notwithstanding any other provision of law, the department may make interim rate adjustments and also implement collection procedures to recover overpayments to hospitals, at tentative and final settlement. These recoveries shall be based on audits or examinations made by or on behalf of the department pursuant to Sections 10722 and 14170, including the application of Sections 51536, 51537, and 51539 of Title 22 of the California Administrative Code at tentative and final settlement. Recovery may be made whether or not appeals by the hospitals are pending. Collection of overpayments shall be made in accordance with Section 14172.5.

(c) The amendment of this section made at the 1985 portion of the 1985–86 Regular Session of the Legislature does not constitute a change in, but is declaratory of, the existing law. This declaration shall not apply to any lawsuits filed on or before July 9, 1985.

SEC. 263. Section 14105.9 of the Welfare and Institutions Code, as added by Chapter 1622 of the Statutes of 1984, is amended and renumbered to read:

14105.95. Whenever the department receives an application to add a drug to the formulary which is a different dosage form, or strength of a drug product which is listed in the formulary, the director may add the product to the formulary without review by the Medical Therapeutics and Drug Advisory Committee, and the addition shall be deemed to comply with the requirements of the California Administrative Procedures Act.

SEC. 264. Section 14110.6 of the Welfare and Institutions Code, as added by Chapter 10 of the Statutes of 1985, is repealed. The repeal made by this section shall not affect the existence or validity of Section 14110.6 of the Welfare and Institutions Code, as added by Chapter 11 of the Statutes of 1985, or as amended by Chapter 1336 of the Statutes of 1985.

SEC. 265. Section 14110.7 of the Welfare and Institutions Code, as added by Chapter 10 of the Statutes of 1985, is repealed. The repeal made by this section shall not affect the existence or validity of

Section 14110.7 of the Welfare and Institutions Code, as added by Chapter 11 of the Statutes of 1985.

SEC. 266. Section 14123 of the Welfare and Institutions Code is amended to read:

14123. Participation in the Medi-Cal program by a provider of service is subject to suspension in order to protect the health of the recipients and the funds appropriated to carry out this chapter.

(a) The director may suspend a provider of service from further participation under the Medi-Cal program for violation of any provision of this chapter or Chapter 8 (commencing with Section 14200) or any rule or regulation promulgated by the director pursuant to those chapters. Any such suspension may be for an indefinite or specified period of time and with or without conditions or may be imposed with the operation of the suspension stayed or probation granted. The director shall suspend a provider of service for conviction of any felony or any misdemeanor involving fraud, abuse of the Medi-Cal program or any patient, or otherwise substantially related to the qualifications, functions, or duties of a provider of service.

If the provider of service is a clinic, group, corporation, or other association, conviction of any officer, director, or shareholder with a 10 percent or greater interest in that organization, of such a crime shall result in the suspension of that organization and the individual convicted if the director believes that suspension would be in the best interest of the Medi-Cal program. If the provider of services is a political subdivision of the state or other government agency, the conviction of the person in charge of the facility of such a crime may result in the suspension of that facility. The record of conviction or a certified copy thereof, certified by the clerk of the court or by the judge in whose court the conviction is had, shall be conclusive evidence of the fact that the conviction occurred. A plea or verdict of guilty, or a conviction following a plea of nolo contendere is deemed to be a conviction within the meaning of this section.

After conviction but before the time for appeal has elapsed or the judgment of conviction has been affirmed on appeal, the director, if he or she believes that suspension would be in the best interests of the Medi-Cal program, may order the suspension of a provider of service. When the time for appeal has elapsed, or the judgment of conviction has been affirmed on appeal or when an order granting probation is made suspending the imposition of sentence irrespective of any subsequent order under Section 1203.4 of the Penal Code allowing a person to withdraw his or her plea of guilty and to enter a plea of not guilty, or setting aside the verdict of guilty, or dismissing the accusation, information or indictment, the director shall order the suspension of a provider of service. The suspension shall not take effect earlier than the date of the director's order. Suspension following a conviction is not subject to the proceedings required in subdivision (c). However, the director may grant an informal hearing at the request of the provider of service to

determine in the director's sole discretion if the circumstances surrounding the conviction justify rescinding or otherwise modifying the suspension provided for in this subdivision.

If the provider of service appeals the conviction and the conviction is reversed, the provider may apply for reinstatement to the Medi-Cal program after the conviction is reversed. Notwithstanding Section 14126.6, the application for reinstatement shall not be subject to the one-year waiting period for the filing of a reinstatement petition pursuant to Section 11522 of the Government Code.

(b) Whenever the director receives written notification from the Secretary of the United States Department of Health and Human Services, that a physician or other individual practitioner has been suspended from participation in the Medicare or Medicaid programs, the director shall, promptly suspend the practitioner from participation in the Medi-Cal program. This automatic suspension is not subject to the proceedings required in subdivision (c). No payment from state or federal funds may be made for any item or service rendered by the practitioner during the period of suspension.

(c) The proceedings for suspension shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, except that hearings may be conducted by departmental hearing officers appointed by the director. The director may periodically subcontract with the Office of Administrative Hearings to conduct the hearings. The director may temporarily suspend any provider of service prior to any hearing when in his or her opinion that action is necessary to protect the public welfare or the interests of the Medi-Cal program. The director shall notify the provider of service of the temporary suspension and the effective date thereof and at the same time serve the provider with an accusation. The accusation and all proceedings thereafter shall be in accordance with the sections of the Government Code specified in this subdivision. Upon receipt of a notice of defense by the provider, the director shall set the matter for hearing within 30 days after receipt of the notice. The temporary suspension shall remain in effect until such time as the hearing is completed and the director has made a final determination on the merits. The temporary suspension shall, however, be deemed vacated if the director fails to make a final determination on the merits within 60 days after the original hearing has been completed. This subdivision does not apply where the suspension of a provider is based upon the conviction of any crime involving fraud, abuse of the Medi-Cal program, or suspension from the federal Medicare program. In those instances, suspension shall be automatic.

(d) The suspension by the director of any provider of service shall preclude the provider from submitting claims for payment, either personally or through claims submitted by any clinic, group, corporation, or other association to the Medi-Cal program for any services or supplies the provider has provided under the program, except for services or supplies provided prior to the suspension. No

clinic, group, corporation, or other association which is a provider of service shall submit claims for payment to the Medi-Cal program for any services or supplies provided by a person within the organization who has been suspended or revoked by the director, except for services or supplies provided prior to the suspension.

Where the provisions of this chapter or Chapter 8 (commencing with Section 14200) or the regulations promulgated by the director are violated by a provider of service which is a clinic, group, corporation, or other association, the director may suspend the organization and any individual person within the organization who is responsible for the violation.

(e) Notice of the suspension shall be sent by the director to the provider's state licensing, certifying, or registering authority, along with the evidence upon which the suspension was based.

SEC. 267. Section 14123.1 of the Welfare and Institutions Code, as added by Chapter 328 of the Statutes of 1982, is repealed.

SEC. 268. Section 14124.7 of the Welfare and Institutions Code, as added by Chapter 10 of the Statutes of 1985, is repealed. The repeal made by this section shall not affect the existence or validity of Section 14124.7 of the Welfare and Institutions Code, as added by Chapter 11 of the Statutes of 1985.

SEC. 269. Section 14124.10 of the Welfare and Institutions Code, as added by Chapter 10 of the Statutes of 1985, is repealed. The repeal made by this section shall not affect the existence or validity of Section 14124.10 of the Welfare and Institutions Code, as added by Chapter 11 of the Statutes of 1985.

SEC. 270. Section 14133.6 of the Welfare and Institutions Code, as added by Chapter 1164 of the Statutes of 1981, is amended and renumbered to read:

14133.61. The State Director of Health Services shall implement and pilot test the use of a micrographics document location and retrieval system in the San Francisco Medi-Cal Field Office during fiscal year 1981–82 as a means to reduce treatment authorization request requirements on providers in the area served by that field office. The purpose of the pilot test is to demonstrate the feasibility of using a micrographics supported records system to reduce TAR requirements on providers of Medi-Cal services. System implementation shall be through a lease contract with a micrographics company doing business in California. The State Director of Health Services shall report progress on this pilot project to the Legislature by July 31, 1982.

SEC. 271. Section 14149 of the Welfare and Institutions Code is amended and renumbered to read:

14137. The State Department of Health Services, following review and approval from the State Health and Welfare Agency, shall seek all necessary waivers from the United States Department of Health and Human Services in order to provide in-home and community-based care, as provided for under Section 2176 of the federal Omnibus Budget Reconciliation Act of 1981. The waiver

proposal shall specifically include plans for the provision of services to any person who would be eligible for community-based and in-home services, as defined by the Department of Health Services, and who would be eligible for the Medi-Cal program, provided for pursuant to this chapter, except for the person's income and who can, therefore, become eligible by meeting spend-down requirements.

SEC. 272. Section 14462 of the Welfare and Institutions Code, as amended by Chapter 1579 of the Statutes of 1985, is amended and renumbered to read:

14463. (a) Except as otherwise provided in this chapter, each prepaid health plan shall be responsible for all of the costs of services rendered under the provisions of this chapter to any Medi-Cal beneficiary enrolled in the plan.

(b) The department shall bear the costs of providing to each Medi-Cal beneficiary enrolled in a prepaid health plan the services covered under the plan, to the extent that the aggregate of these costs, based on Medi-Cal reimbursement levels, and exclusive of third-party recoveries, exceeds the 12-month risk limit. The risk limit shall not exceed twenty-five thousand dollars ($25,000) based on Medi-Cal reimbursement levels, shall be specified in the contract between the department and the plan, and shall be determined concurrently with the annual determination of rates of payment.

The department shall have the authority to adopt regulations to increase the risk limit, to an amount not to exceed thirty-five thousand dollars ($35,000). Regulations to increase the risk limit shall be based upon and supported by changes in prepaid health plan rates paid by the department and changes in the medical component of the Consumer Price Index (CPI) as actuarially determined by the department. It is the intent of the Legislature that these risk limit adjustments are not to exceed thirty-five thousand dollars ($35,000) until the 1986–87 fiscal year or beyond. For plans having contracts in existence on the effective date of this section, the risk limit shall be announced on or before the first day of each state fiscal year, to become effective concurrently with the effective date for the new rates of payment for the next succeeding state fiscal year.

The department may negotiate with a prepaid health plan a mutually agreed-to risk limit in an amount in excess of thirty-five thousand dollars ($35,000).

Within 90 days of the receipt of the documentation required under paragraph (2), the department shall pay the reimbursement provided for by this section to the extent that it determines that the services rendered were medically necessary, and that the amount of the payments sought for those services is reasonable. The department may, if a dispute exists as to whether the services rendered were medically necessary or if the amount of the payments for those services was reasonable, delay paying the reimbursement for such services until a final determination of the dispute is made.

(1) Each prepaid health plan shall arrange and provide initial payment, at Medi-Cal reimbursement levels, for medically necessary

care for any Medi-Cal beneficiary enrolled in the plan when the cost for this care exceeds the 12-month risk limit. No person shall be disenrolled by any prepaid health plan for the sole reason that the cost of his or her care under the plan has exceeded the risk limit.

(2) As a condition of reimbursement for costs of care in excess of the risk limit as to a Medi-Cal beneficiary enrolled in a prepaid health plan, the plan must submit to the department, in a format to be designated by the department, documentation of all costs incurred for services to the beneficiary during the 12-month period.

(c) No prepaid health plan may enter into any subcontract that would in any way limit its obligation assumed under this chapter to retain the significant risk of the cost of services rendered under this chapter to any Medi-Cal beneficiary enrolled in the plan.

(d) As a condition of the department's approval of any subcontract entered into by a prepaid health plan under this chapter, the plan shall specify its retention of significant risk by designating one of the options under subdivision (e) as its operating definition of significant risk, or by any other method approved by the department that would meet the requirement set forth in subdivision (c).

(e) "Significant risk" means financial responsibility for either of the following:

(1) All expenditures in excess of 115 percent of the specified total expenditures estimated under each subcontract.

(2) All inpatient hospitalization expenditures as determined by the department, including expenditures for services connected with hospitalization.

SEC. 273. Section 16145 of the Welfare and Institutions Code, as added by Chapter 1116 of the Statutes of 1984, is amended and renumbered to read:

16144.1. To facilitate the adoption of foreign-born children, licensed private adoption agencies may enter into agreements with domestic and foreign adoption agencies, provided that these agreements do not violate state adoption laws or department regulations.

SEC. 274. Section 16146 of the Welfare and Institutions Code, as added by Chapter 1116 of the Statutes of 1984, is amended and renumbered to read:

16144.2. Notwithstanding any other provision of law, those licensed county adoption agencies currently providing intercountry adoption services and the State Department of Social Services shall continue to process those cases which are active on September 13, 1984, and in which any of the following conditions apply:

(a) An approved home study has been transmitted to a foreign agency for child matching.

(b) The prospective adoptive parents have paid a fee for intercountry adoption services.

(c) The applicant has been accepted for family assessment and the assessment process started on or before September 13, 1984.

SEC. 275. Section 16147 of the Welfare and Institutions Code, as added by Chapter 1460 of the Statutes of 1982, is amended and renumbered to read:

16144.3. Notwithstanding any other provision of law, the parent or parents of a person under 21 years of age who is domiciled in this state shall not be held financially responsible, nor shall financial contributions be requested or required of the parent or parents, for maternity home care, social service counseling, or other services related to pregnancy of the person which are provided by a licensed maternity home pursuant to this chapter.

SEC. 276. Section 10 is added to Chapter 30 of the Statutes of 1985, to read:

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

Existing law, enacted in 1984, provides for a unified system of state regulated bar and inland pilotage for the Bays of San Francisco, San Pablo, and Suisun with provision for the continuation of inland pilots licenses for those existing inland pilots who apply for those licenses prior to March 31, 1985. In order to clarify these laws to make certain that the provisions relating to suspension and revocation of licenses continue to apply to this category of pilot, and in order to include drug abuse as a ground for suspension or revocation, it is necessary that this act take effect immediately.

SEC. 277. Any section of any act enacted by the Legislature during the 1986 calendar year, which takes effect on or before January 1, 1987, and which amends, amends and renumbers, adds, repeals and adds, or repeals a section amended, amended and renumbered, repealed and added, or repealed by this act, shall prevail over this act, whether that act is enacted prior to or subsequent to this act.

CHAPTER 249

An act to add Sections 40048 and 49068.5 to the Education Code, to amend Section 14685 of, and to add Section 13974.1 to, the Government Code, to amend Sections 208, 667.8, and 11114 of, and to add Sections 11114.1 and 11114.2 to, the Penal Code, and to add Section 221 to the Streets and Highways Code, relating to the Missing Children Act of 1985, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 2, 1986 Filed with Secretary of State July 3, 1986.]

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

SECTION 1. This act shall be known and may be cited as the Davis-Grisham Missing Children Act of 1986.

SEC. 2. It is the intent of the Legislature that the State of California comply with the Congressional Missing Children's Act of 1984, and that in cooperation with interested parties facilitate locating missing children.

SEC. 3. Section 40048 is added to the Education Code, to read:

40048. (a) Public primary schools shall post at an appropriate area restricted to adults information regarding missing children provided by the Department of Justice pursuant to Section 11114.1 of the Penal Code.

(b) Public secondary schools shall post at an appropriate area information regarding missing children provided by the Department of Justice pursuant to Section 11114.1 of the Penal Code.

SEC. 4. Section 49068.5 is added to the Education Code, to read:

49068.5. Upon the initial enrollment of a pupil in a public or private elementary school, or whenever an elementary school pupil transfers from one school district to another, or transfers to an elementary school within the same district, or transfers from one private elementary school to another, or transfers from a private elementary school to a public elementary school, or transfers from a public elementary school to a private elementary school, the principal of the school which the child enters or to which he or she transfers is urged to check to see if the child resembles a child listed as missing by the bulletins provided by the Department of Justice pursuant to subdivision (f) of Section 11114 of the Penal Code.

SEC. 5. Section 13974.1 is added to the Government Code, to read:

13974.1. (a) The board shall utilize the provisions of this article, insofar as they may be made applicable, to establish a claim and reward procedure to reward persons providing information leading to the location of any child listed in the missing children registry compiled pursuant to Section 11114 of the Penal Code.

(b) Awards shall be made upon recommendation of the Department of Justice in an amount of not to exceed five hundred dollars ($500) to any one individual. However, as a condition to an award, in any particular case, an amount equal to or greater in nonstate funds shall have been first offered as a reward for information leading to the location of that missing child.

(c) The Missing Children Reward Fund is hereby created in the State Treasury and is continuously appropriated to the State Board of Control to make awards pursuant to this section.

SEC. 6. Section 14685 of the Government Code is amended to read:

14685. (a) The director shall appoint assistants, clerks, and employees as may be necessary to maintain the state buildings and grounds. The employees shall not have or perform the duties or functions of peace officers.

The department may establish rules and regulations for the government and maintenance of the state buildings and grounds. Every person who violates or attempts to violate the rules and regulations is guilty of a misdemeanor.

(b) Information regarding missing children provided by the Department of Justice pursuant to Section 11114.1 of the Penal Code shall be posted in public areas of all state-owned or leased buildings that have at least 20,000 square feet of office space, or that are staffed by at least 50 employees, or where service is provided to the general public and in other public areas of state-owned or leased buildings as determined by the department to be reasonable.

SEC. 7. Section 208 of the Penal Code is amended to read:

208. (a) Kidnapping is punishable by imprisonment in the state prison for three, five, or eight years.

(b) If the person kidnapped is under 14 years of age at the time of the commission of the crime, the kidnapping is punishable by imprisonment in the state prison for 5, 8, or 11 years. This subdivision is not applicable to conduct proscribed by Section 277, 278, or 278.5.

SEC. 8. Section 667.8 of the Penal Code is amended to read:

667.8. (a) Except as provided in subdivision (b), any person convicted of a felony violation of Section 261, 264.1, 286, 288a, or 289 who, for the purpose of committing that sexual offense, kidnapped the victim in violation of Section 207, shall be punished by an additional term of three years.

(b) Any person convicted of a felony violation of subdivision (c) of Section 286, Section 288, or subdivision (c) of Section 288a who, for the purpose of committing that sexual offense, kidnapped the victim, who was under the age of 14 years at the time of the offense, in violation of Section 207, shall be punished by an additional term of nine years. This subdivision is not applicable to conduct proscribed by Section 277, 278, or 278.5.

SEC. 9. Section 11114 of the Penal Code is amended to read:

11114. (a) All local police and sheriffs' departments shall accept any report, including any telephonic report, of a missing person, including runaways, without delay. In cases where the report is taken by a department other than that of the city or county of residence of the missing person or runaway, the department taking the report shall, without delay, notify, and forward a copy of the report when completed to, the police or sheriff's department or departments having jurisdiction of the residence address of the missing person or runaway and of the place where the person was last seen. The report shall be transmitted by the department which took the report to the State Department of Justice, in a format and according to procedures established by the State Department of Justice, which shall transmit the report to the National Crime Information Center Missing Person

System, or, at the option of the local police or sheriff's department, the local police or sheriff's department may transmit the report directly to federal agencies. If the person reported missing is under 12 years of age, the local police or sheriff's department shall transmit the report to the National Crime Information Center Missing Person System within four hours after accepting the report. The police or sheriff's department having jurisdiction of the place in which the person reported missing was last seen may initiate the investigation of the location of the missing person, irrespective of the area of jurisdiction of the department taking the report.

(b) When any person makes a report of a missing person to a police department, sheriff's department, district attorney's office, or other law enforcement authority, the person making the report shall give it in person or by mail on a form supplied by the Department of Justice authorizing the release of the dental records of the person reported missing and authorizing the release of a recent photograph of a person reported missing who is under 18 years of age. Included with the form shall be instructions which state that if the person reported missing is still missing 30 days after the report is made, the release form signed by a member of the family or next of kin of the missing person should be taken to the dentist or dentists of the missing person to obtain the release of the dental records and that dental records should be submitted within 10 days by the person to whom released to the police or sheriff's department or other law enforcement authority to which the missing person report was made. When the person reported missing has not been found within 30 days and no family or next of kin exists or can be located, the law enforcement authority may execute a written declaration, stating that an active investigation seeking the location of the missing person is being conducted, and that the dental records are necessary for the exclusive purpose of furthering the investigation. The written declaration, signed by a peace officer, is sufficient authority for the dentist or dentists to release the missing person's dental records.

(c) When a person reported missing has not been found within 45 days, the sheriff, chief of police, or other law enforcement authority initiating and conducting the investigation for the missing person shall confer with the coroner or medical examiner prior to the preparation of a missing person report. After conferring with the coroner or medical examiner, the sheriff, chief of police, or other law enforcement authority initiating and conducting the investigation for the missing person shall submit a missing person report and the dental records and photograph received pursuant to subdivision (b) to the Department of Justice on forms supplied by the department for that purpose.

(d) Notwithstanding subdivisions (b) and (c), the form provided under subdivision (b) shall state that if the person reported missing is under 18 years of age, the form should be taken to the dentist or dentists immediately when the law enforcement authority determines that the disappearance was under suspicious

circumstances or when the law enforcement authority determines that the person missing is under 13 years of age and has been missing at least 14 days, and that dental records and a recent photograph of the missing juvenile should be submitted immediately thereafter to the law enforcement authority. Where authorized to execute a written declaration to obtain the release of dental records, the law enforcement authority may do so immediately when a person reported missing who is under 18 years of age is determined by the authority to have disappeared under suspicious circumstances. In each case, the law enforcement authority should confer immediately with the coroner or medical examiners and should submit its report including the dental records within 24 hours thereafter to the Department of Justice.

(e) When a person reported missing has been found, the sheriff, chief of police, coroner or medical examiner, or other law enforcement authority shall report that information to the Department of Justice. After receiving that report, the department shall erase all records with respect to that person which are maintained pursuant to subdivision (f).

(f) The Department of Justice shall maintain a file of information concerning persons reported to it as missing and who have not been reported as found. The file shall contain the information referred to in subdivision (c) and any other information that the Department of Justice finds to be relevant to assisting in the location of a missing person.

The Department of Justice files shall be made available to law enforcement agencies attempting to locate missing persons. The department shall develop a system of cataloging missing person reports according to a variety of characteristics to facilitate locating particular categories of reports as needed.

The Department of Justice shall compile a missing children registry consisting of reports of missing juveniles as specified in subdivisions (a), (b), (c), and (d), and shall distribute a missing children bulletin on a quarterly basis to local law enforcement agencies and public schools throughout this state. The Department of Justice shall also make this information accessible to other parties involved in efforts to locate missing children as prescribed and to other parties as the department deems appropriate.

SEC. 10. Section 11114.1 is added to the Penal Code, to read:

11114.1. (a) The Department of Justice shall operate a statewide, toll-free telephone hotline 24 hours per day, seven days per week to receive information regarding missing children and relay this information to the appropriate law enforcement authorities.

(b) The Department of Justice shall select up to six juveniles per month from the missing children registry maintained pursuant to Section 11114 and shall produce posters with photographs and information regarding these children, including the missing children hotline telephone number and reward information. The department shall make these posters available to parties as prescribed and as the

department deems appropriate.

SEC. 11. Section 11114.2 is added to the Penal Code, to read:

11114.2. (a) The Department of Justice shall provide appropriate local reporting agencies with a list of persons still listed as missing who are under 18 years of age on the date this section becomes effective, with an appropriate waiver form in order to assist the reporting agency in obtaining a photograph of each of the missing juveniles.

(b) Local reporting agencies shall attempt to obtain the most recent photograph available for persons still listed as missing and forward those photographs to the Department of Justice.

(c) The department shall include these photographs, as they become available, in the quarterly bulletins pursuant to subdivision (f) of Section 11114.

(d) State and local elected officials, agencies, departments, boards, and commissions may enclose in their mailings information regarding missing children obtainable from the Department of Justice or any organization that is recognized as a nonprofit, tax exempt organization under state or federal law and that has an ongoing missing children program. Elected officials, agency secretaries, and directors of departments, boards, and commissions are urged to develop policies to enclose missing children information in mailings when it will not increase postage costs, and is otherwise deemed appropriate.

SEC. 12. The Department of Justice may employ additional personnel, as required, to implement the provisions of this act.

SEC. 13. Section 221 is added to the Streets and Highways Code, to read:

221. The department shall, to the extent feasible, post at appropriate safety roadside rests information regarding missing children provided by the Department of Justice pursuant to Section 11114.1 of the Penal Code.

SEC. 14. The Legislature urges school districts to implement programs to notify parents when their child is absent from elementary or junior high school.

The Legislature also urges school districts to cooperate with local law enforcement authorities, the Department of Justice, or appropriate nonprofit organizations approved by the Department of Justice which develop optional programs to provide interested parents with a fingerprint card or photo identification card of their child.

SEC. 15. The sum of two hundred three thousand dollars ($203,000) is hereby appropriated for the purposes of the Davis-Grisham Missing Children Act of 1986, to be allocated as follows:

(a) Twenty-four thousand dollars ($24,000) from the Victim-Witness Assistance Fund to the Missing Children Reward Fund created by this act.

(b) One hundred seventy-nine thousand dollars ($179,000) from

the General Fund to the Controller for allocation for the other purposes of this act.

SEC. 16. Reimbursement to local agencies and school districts for costs mandated by the state pursuant to this act shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code and, if the statewide cost of the claim for reimbursement does not exceed five hundred thousand dollars ($500,000), shall be made from the State Mandates Claims Fund.

SEC. 17. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

Over 1,600 children in California remain missing despite extensive efforts under existing provisions of law. Immediate mobilization of further state and local resources in innovative programs will facilitate the location of many of these children. In order that this effort may be commenced at once, it is essential that this act take effect immediately.

CHAPTER 250

An act to add Chapter 12.2 (commencing with Section 8875) to Division 1 of Title 2 of the Government Code, relating to seismic safety, and making an appropriation therefor.

[Approved by Governor July 2, 1986. Filed with Secretary of State July 3, 1986.]

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

SECTION 1. (a) The Legislature recognizes that California is situated in a seismically active region with earthquake faults which subject large areas of the state to high seismic risk. The Legislature further recognizes that the existence and occupancy of potentially hazardous buildings constitute a severe threat to the public safety in the event of an earthquake of moderate to high magnitude.

(b) The Legislature additionally finds that the Seismic Safety Commission estimates that there may be more than 60,000 unreinforced masonry buildings constructed before 1933 which remain in use in this state. As part of an effort to protect the public health and safety, the Legislature declares the need to establish programs in the seismically active areas of the state to identify potentially hazardous buildings within local governmental jurisdictions.

SEC. 2. Chapter 12.2 (commencing with Section 8875) is added to Division 1 of Title 2 of the Government Code, to read:

CHAPTER 12.2. BUILDING EARTHQUAKE SAFETY

8875. Unless the context otherwise requires, the following definitions shall govern the construction of this chapter:

(a) "Potentially hazardous building" means any building constructed prior to the adoption of local building codes requiring earthquake resistant design of buildings and constructed of unreinforced masonry wall construction. "Potentially hazardous building" includes all buildings of this type, including, but not limited to, public and private schools, theaters, places of public assembly, apartment buildings, hotels, motels, fire stations, police stations, and buildings housing emergency services, equipment, or supplies, such as government buildings, disaster relief centers, communications facilities, hospitals, blood banks, pharmaceutical supply warehouses, plants, and retail outlets. "Potentially hazardous building" does not include warehouses or similar structures not used for human habitation, except for warehouses or structures housing emergency services equipment or supplies. "Potentially hazardous building" does not include any building having five living units or less. "Potentially hazardous building" does not include, for purposes of subdivision (a) of Section 8877, any building which qualifies as "historical property" as determined by an appropriate governmental agency under Section 37602 of the Health and Safety Code.

(b) "Local building department" means a department or agency of a city or county charged with the responsibility for the enforcement of local building codes.

8876. A program is hereby established within all cities, both general law and chartered, and all counties and portions thereof located within seismic zone 4, as defined and illustrated in Chapter 2-23 of Part 2 of Title 24 of the California Administrative Code, to identify all potentially hazardous buildings and to establish a program for mitigation of identified potentially hazardous buildings.

By September 1, 1987, the Seismic Safety Commission, in cooperation with the League of California Cities, the County Supervisors Association, and California building officials, shall prepare an advisory report for local jurisdictions containing criteria and procedures for purposes of Section 8877.

8877. Local building departments shall do all of the following:

(a) Identify all potentially hazardous buildings within their respective jurisdictions on or before January 1, 1990. This identification shall include current building use and daily occupancy load. In regard to identifying and inventorying the buildings, the local building departments may establish a schedule of fees to recover the costs of identifying potentially hazardous buildings and carrying out this chapter.

(b) Establish a mitigation program for potentially hazardous buildings to include notification to the legal owner that the building is considered to be one of a general type of structure that historically has exhibited little resistance to earthquake motion. The mitigation

program may include the adoption by ordinance of a hazardous buildings program, measures to strengthen buildings, measures to change the use to acceptable occupancy levels or to demolish the building, tax incentives available for seismic rehabilitation, low-cost seismic rehabilitation loans available under Division 32 (commencing with Section 55000) of the Health and Safety Code, application of structural standards necessary to provide for life safety above current code requirements, and other incentives to repair the buildings which are available from federal, state, and local programs. Compliance with an adopted hazardous buildings ordinance or mitigation program shall be the responsibility of building owners.

Nothing in this chapter makes any state building subject to a local building mitigation program or makes the state or any local government responsible for paying the cost of strengthening a privately owned structure, reducing the occupancy, demolishing a structure, preparing engineering or architectural analysis, investigation, or design, or other costs associated with compliance of locally adopted mitigation programs.

(c) By January 1, 1990, all information regarding potentially hazardous buildings and all hazardous building mitigation programs shall be reported to the appropriate legislative body of a city or county and filed with the Seismic Safety Commission.

8878. Local jurisdictions undertaking inventories and providing structural evaluations of potentially hazardous buildings pursuant to this chapter shall have the same immunity from liability for action or inaction taken pursuant to this chapter as is provided by Section 19167 of the Health and Safety Code for action or failure to take any action pursuant to Article 4 (commencing with Section 19160) of Chapter 2 of Part 3 of Division 13 of the Health and Safety Code.

8879. The Seismic Safety Commission shall report annually, commencing on or before June 30, 1987, to the Legislature on the filing of mitigation programs from local jurisdictions. The annual report required by this section shall review and assess the effectiveness of building reconstruction standards adopted by cities and counties pursuant to this article and shall supersede the reporting requirement pursuant to Section 19169 of the Health and Safety Code.

8879.5. The Seismic Safety Commission shall coordinate the earthquake-related responsibilities of government agencies imposed by this chapter to ensure compliance with the purposes of this chapter.

SEC. 3. The sum of one hundred fifty thousand dollars ($150,000) is hereby appropriated from the General Fund to the Seismic Safety Commission to develop the advisory report required pursuant to Chapter 12.2 (commencing with Section 8875) of Division 1 of Title 2 of the Government Code.

It is the intent of the Legislature that funding for the program in the 1987–88 fiscal year and thereafter be provided for through the annual budget process.

Costs incurred by local building departments in identifying potentially hazardous buildings or in preparing a mitigation program prior to the effective date of this act shall not be considered state-mandated costs and shall not be reimbursed pursuant to this act.

SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act.

CHAPTER 251

An act to amend Sections 22470 and 24470 of the Financial Code, relating to loans.

[Approved by Governor July 2, 1986 Filed with Secretary of State July 3, 1986]

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

SECTION 1. Section 22470 of the Financial Code is amended to read:

22470. No licensee shall enter into any contract for a loan that provides for a scheduled repayment of principal over more than the maximum terms set forth below opposite the respective size of loans.

Principal amount of loan	Maximum term
Less than $500	24 months and 15 days
$500 but less than $1,500	36 months and 15 days
$1,500 but less than $3,000 ..	48 months and 15 days
$3,000 but less than $5,000 ..	60 months and 15 days

This section does not apply to open end loans, or to a student loan made by an eligible lender under the Higher Education Act of 1965, as amended (20 U.S.C. Sec. 1070, et seq.). This section does not apply to any loan of a bona fide principal amount of five thousand dollars ($5,000) or more.

SEC. 2. Section 24470 of the Financial Code is amended to read:

24470. No licensee shall enter into any contract for a loan that provides for a scheduled repayment of principal over more than the maximum terms set forth below opposite the respective size of loans.

Principal amount of loan	Maximum term
Less than $500	24 months and 15 days
$500 but less than $1,500	36 months and 15 days
$1,500 but less than $3,000 ..	48 months and 15 days
$3,000 but less than $5,000 ..	60 months and 15 days

This section does not apply to open end loans, or to a student loan made by an eligible lender under the Higher Education Act of 1965, as amended (20 U.S.C. Sec. 1070, et seq.). This section does not apply to any loan of a bona fide principal amount of five thousand dollars ($5,000) or more.

CHAPTER 252

An act to add Article 6 (commencing with Section 32060) to Chapter 1 of Part 19 of, and to repeal Article 5 (commencing with Section 49350) of Chapter 8 of Part 27 of, the Education Code, relating to schools.

[Approved by Governor July 3, 1986 Filed with Secretary of State July 3, 1986]

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

SECTION 1. Article 6 (commencing with Section 32060) is added to Chapter 1 of Part 19 of the Education Code, to read:

Article 6. Toxic Art Supplies in Schools

32060. (a) The Legislature finds and declares that art supplies which contain toxic substances or which are potential human carcinogens pose a significant danger to the health and safety of school children. The Legislature also finds and declares that school children are not sufficiently protected by present health laws in so far as materials which may be seriously harmful are not so labeled and therefore children are not properly warned as to the dangers inherent in the use of those materials.

(b) The Legislature intends by this article to ensure that elementary school children are protected by prohibiting the sale of these toxic substances to schools, school districts, and private schools for use in kindergarten and grades 1 to 6, inclusive, and that the toxic substances may be purchased by schools, school districts, and private schools for students in grades 7 to 12, inclusive, only if the materials are properly labeled, as described in Section 32064.

32061. "Art or craft material" means any raw or processed material or manufactured product marketed or being represented

by the manufacturer or repackager as being suitable for use in the demonstration or the creation of any work of visual or graphic art of any medium. These media may include, but shall not be limited to, paintings, drawings, prints, sculpture, ceramics, enamels, jewelry, stained glass, plastic sculpture, photographs, and leather and textile goods.

32062. (a) "Human carcinogen" means any substance listed as a human carcinogen by the International Agency for Research on Cancer.

(b) "Potential human carcinogen" means one of the following:

(1) Any substance which does not meet the definition of human carcinogen, but for which there exists sufficient evidence of carcinogenicity in animals, as determined by the International Agency for Research on Cancer.

(2) Any chemical shown to be changed by the human body into a human carcinogen.

32063. "Toxic substance causing chronic illness" means any of the following:

(a) Human carcinogens.

(b) Potential human carcinogens.

(c) Any substance included in the list of hazardous substances prepared by the Director of Industrial Relations, pursuant to Section 6382 of the Labor Code, notwithstanding exemptions made for substances on the list which are used in particular forms, circumstances, or concentrations, if the health hazard presented by the substance is not the subject of label statements required by federal law.

32064. (a) For the 1987–88 academic year and for each academic year thereafter, no art or craft material which is deemed by the State Department of Health Services to contain a toxic substance, as defined by the California Hazardous Substance Act, Chapter 13 (commencing with Section 28740) of Division 22 of the Health and Safety Code, or a toxic substance causing chronic illness, as defined in this article, shall be ordered or purchased by any school, school district, or governing authority of a private school in California for use by students in kindergarten and grades 1 to 6, inclusive.

(b) Commencing June 1, 1987, any substance which is defined in subdivision (a) as a toxic substance causing chronic illness shall not be purchased or ordered by a school, school district, or governing authority of a private school for use by students in grades 7 to 12, inclusive, unless it meets the labeling standards specified in Section 32065.

(c) If the State Department of Health Services finds that, because the chronically toxic, carcinogenic, or radioactive substances contained in an art or craft product cannot be ingested, inhaled, or otherwise absorbed into the body during any reasonably foreseeable use of the product in a way that could pose a potential health risk, the department may exempt the product from these requirements to the extent it determines to be consistent with adequate protection

of the public health and safety.

(d) For the purposes of this article, an art or craft material shall be presumed to contain an ingredient which is a toxic substance causing chronic illness if the ingredient, whether an intentional ingredient or an impurity, is 1 percent or more by weight of the mixture or product, or if the State Department of Health Services determines that the toxic or carcinogenic properties of the art or craft material are such that labeling is necessary for the adequate protection of the public health and safety.

32065. Warning labels for substances specified in Section 32064 shall meet all of the following standards:

(a) The warning label shall be affixed in a conspicuous place and shall contain the signal word "WARNING," to alert users of potential adverse health effects.

(b) The warning label shall contain information on the health-related dangers of the art or craft material.

(1) If the product contains a human carcinogen, the warning shall contain the statement: "CANCER HAZARD! Overexposure may create cancer risk."

(2) If the product contains a potential human carcinogen, and does not contain a human carcinogen, the warning shall contain the statement: "POSSIBLE CANCER HAZARD! Overexposure might create cancer risk."

(3) If the product contains a toxic substance causing chronic illness, the warning shall contain, but not be limited to, the following statement or statements where applicable:

(A) May cause sterility or damage to reproductive organs.

(B) May cause birth defects or harm to developing fetus.

(C) May be excreted in human milk causing harm to nursing infant.

(D) May cause central nervous system depression or injury.

(E) May cause numbness or weakness in the extremities.

(F) Overexposure may cause damage to (specify organ).

(G) Heating above (specify degrees) may cause hazardous decomposition products.

(4) If a product contains more than one chronically toxic substance, or if a single substance can cause more than one chronic health effect, the required statements may be combined into one warning statement.

(c) The warning label shall contain a list of ingredients which are toxic substances causing chronic illness.

(d) The warning label shall contain a statement or statements of safe use and storage instructions, conforming to the following list. The label shall contain, but not be limited to, as many of the following risk statements as are applicable:

(1) Keep out of reach of children.

(2) When using, do not eat, drink, or smoke.

(3) Wash hands after use and before eating, drinking, or smoking.

(4) Keep container tightly closed.

(5) Store in well ventilated area.

(6) Avoid contact with skin.

(7) Wear protective clothing (specify type).

(8) Wear NIOSH certified masks for dust, mists, or fumes.

(9) Wear NIOSH certified respirator with appropriate cartridge for (specify type).

(10) Wear NIOSH certified supplied air respirator.

(11) Use window exhaust fan to remove vapors and assure adequate ventilation (specify explosion proof if necessary).

(12) Use local exhaust hood (specify type).

(13) Do not heat above (specify degrees) without adequate ventilation.

(14) Do not use/mix with (specify material).

(e) The warning label shall contain a statement on where to obtain more information, such as, "Call your local poison control center for more health information."

(f) The warning label, or any other label on the substance, shall contain the name and address of the manufacturer or repackager.

(g) If all of the above information cannot fit on the package label, a package insert shall be required to convey all the necessary information to the consumer. In this event, the label shall contain a statement to refer to the package insert, such as "CAUTION: See package insert before use." For puposes of this section, "package insert" means a display of written, printed, or graphic matter upon a leaflet or suitable material accompanying the art supply. The language on this insert shall be nontechnical and nonpromotional in tone and content.

The requirements set forth in subdivisions (a) to (g), inclusive, shall not be considered to be complied with unless the required words, statements, or other information appear on the outside container or wrapper, or on a package insert which is easily legible through the outside container or wrapper and is painted in a color in contrast with the product or the package containing the product.

An art or craft material shall be considered to be in compliance with this section if Article 4 (commencing with Section 28794) of Chapter 13 of Division 22 of the Health and Safety Code requires labeling of the art or craft material, and if the material is in compliance with that article.

The manufacturer of any art or craft material sold, distributed, offered for sale, or exposed for sale in this state shall supply upon request to the Department of Health Services any information required by the department in order to perform its duties under this article.

32066. The State Department of Health Services shall, by June 1, 1987, develop a list of those art or craft materials which cannot be purchased or ordered for use in kindergarten and in grades 1 to 6, inclusive, and a list of materials which, while not currently sold or manufactured, may be reasonably suspected to still exist at some schools. In developing the lists, the State Department of Health

Services shall consult with manufacturers of art supplies, artists' groups, health organizations, and toxicologists as the State Department of Health Services deems appropriate. The Department of Health Services shall periodically update the lists as it deems appropriate.

The Superintendent of Public Instruction shall distribute the lists to all school districts and the governing authorities of all private schools in California, and shall make the lists available to preschools, childcare centers, and other businesses and organizations which involve children in the use of art or craft materials.

The superintendent shall inform school districts and governing authorities of all private schools of the requirements of this article, and shall encourage school districts and the governing authorities of all private schools to dispose of art or craft material which may contain human carcinogens, potential human carcinogens, or chronically toxic substances, but which is not affected by this article.

SEC. 2. Article 5 (commencing with Section 49350) of Chapter 8 of Part 27 of the Education Code is repealed.

SEC. 3. This act shall become operative June 1, 1987.

CHAPTER 253

An act to add Section 51262 to the Education Code, relating to education on the effects of the use of anabolic steroids, and making an appropriation therefor.

[Approved by Governor July 2, 1986. Filed with Secretary of State July 3, 1986]

I am deleting the $68,490 appropriation contained in Section 2 of Assembly Bill No 213 The worthwhile program proposed by this measure can be accomplished within existing resources currently funded through the Department of Education.

With this deletion, I approve Assembly Bill No. 213

George Deukmejian

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

SECTION 1. Section 51262 is added to the Education Code, to read:

51262. The Legislature hereby finds and declares that the use of anabolic steroids to expedite the physical development and to enhance the performance level of secondary school athletes presents a serious health hazard to these student athletes. It is the intent of the Legislature in enacting this measure that, beginning with the 1987–88 school year, schools be encouraged to include in instruction in grades 7 to 12, inclusive, in science, health, drug abuse, or physical education programs a lesson on the effects of the use of anabolic steroids.

In order to increase the knowledge of students about the effects

of the use of anabolic steroids, the Superintendent of Public Instruction shall develop a steroid education package consisting of teacher lesson plans, student pamphlets, parent pamphlets, and video tapes to be distributed directly to school districts.

SEC. 2. There is hereby appropriated from the General Fund to the Superintendent of Public Instruction the sum of sixty-eight thousand four hundred ninety dollars ($68,490) for the 1986–87 fiscal year for the purposes of Section 51262 of the Education Code.

CHAPTER 254

An act to amend Section 6358.1 of the Revenue and Taxation Code, and to repeal Section 2 of Chapter 1248 of the Statutes of 1980, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor July 3, 1986 Filed with Secretary of State July 3, 1986]

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

SECTION 1. Section 6358.1 of the Revenue and Taxation Code is amended to read:

6358.1. (a) There are exempted from taxes imposed by this part the gross receipts from the sale of and the storage, use, or other consumption in this state of either of the following:

(1) Organic products grown expressly for fuel purposes.

(2) Waste byproducts from agricultural or forest products operations, municipal refuse, or manufacturing which are used in an industrial facility as a fuel source in lieu of the use of either oil, natural gas, or coal.

(b) In addition to subdivision (a), the exemption under this section shall include the use of still gas produced in the refining process from purchased crude oil.

SEC. 2. Section 2 of Chapter 1248 of the Statutes of 1980 is repealed.

SEC. 3. Notwithstanding Section 2230 of the Revenue and Taxation Code, no appropriation is made by this act, and the state shall not reimburse any local agency for any sales and use tax revenues lost by it under this act.

SEC. 4. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect.

CHAPTER 255

An act to amend Sections 75570, 75571, and 75573 of the Water Code, relating to water conservation districts.

[Approved by Governor July 9, 1986 Filed with Secretary of State July 10, 1986.]

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

SECTION 1. Section 75570 of the Water Code is amended to read:

75570. On or before the day of the regular meeting of the board in March of each year, the engineering investigation and report shall be delivered to the secretary in writing.

SEC. 2. Section 75571 of the Water Code is amended to read:

75571. The secretary shall publish a notice of the receipt of the engineering investigation and report and of a public hearing thereon to be held in April. The notice shall be published, pursuant to Section 6061 of the Government Code, in a newspaper of general circulation printed and published within the district, at least 10 days prior to the date at which the public hearing is held.

SEC. 3. Section 75573 of the Water Code is amended to read:

75573. The board shall hold a public hearing in April of each year, in the regular meeting place of the board, not sooner than 30 days after receipt of the engineering investigation and report. Any operator of a water-producing facility within the district, or any person interested in the condition of the groundwater or surface water supplies of the district, may in person, or by representative, appear and submit evidence at the public hearing concerning the groundwater conditions and the surface water supplies of the district. Appearances also may be made supporting or protesting the engineering investigation and report.

CHAPTER 256

An act to amend Sections 21452 and 25251 of the Vehicle Code, relating to vehicles.

[Approved by Governor July 9, 1986. Filed with Secretary of State July 10, 1986]

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

SECTION 1. Section 21452 of the Vehicle Code is amended to read:

21452. (a) A driver facing a steady circular yellow or yellow arrow signal is, by that signal, warned that the related green

movement is ending or that a red indication will be shown immediately thereafter.

(b) A pedestrian facing a steady circular yellow or a yellow arrow signal, unless otherwise directed by a pedestrian control signal as provided in Section 21456, is, by that signal, warned that there is insufficient time to cross the roadway and shall not enter the roadway.

SEC. 2. Section 25251 of the Vehicle Code is amended to read:

25251. (a) Flashing lights are permitted on vehicles as follows:

(1) To indicate an intention to turn or move to the right or left upon a roadway, turn signal lamps and turn signal exterior pilot indicator lamps and side lamps permitted under Section 25106 may be flashed on the side of a vehicle toward which the turn or movement is to be made.

(2) When disabled or parked off the roadway but within 10 feet of the roadway, turn signal lamps may be flashed as warning lights if the front turn signal lamps at each side are being flashed simultaneously and the rear turn signal lamps at each side are being flashed simultaneously.

(3) To warn other motorists of accidents or hazards on a roadway, turn signal lamps may be flashed as warning lights while the vehicle is approaching, overtaking, or passing the accident or hazard on the roadway if the front turn signal lamps at each side are being flashed simultaneously and the rear turn signal lamps at each side are being flashed simultaneously.

(4) For use on authorized emergency vehicles.

(5) To warn other motorists of a funeral procession, turn signal lamps may be flashed as warning lights on all vehicles actually engaged in a funeral procession, if the front turn signal lamps at each side are being flashed simultaneously and the rear turn signal lamps at each side are being flashed simultaneously.

(b) Turn signal lamps shall be flashed as warning lights whenever a vehicle is disabled upon the roadway and the vehicle is equipped with a device to automatically activate the front turn signal lamps at each side to flash simultaneously and the rear turn signal lamps at each side to flash simultaneously, if the device and the turn signal lamps were not rendered inoperative by the event which caused the vehicle to be disabled.

(c) Side lamps permitted under Section 25106 and used in conjunction with turn signal lamps may be flashed with the turn signal lamps as part of the warning light system, as provided in paragraphs (2) and (3) of subdivision (a).

(d) Required or permitted lamps on a trailer or semitrailer may flash when the trailer or semitrailer has broken away from the towing vehicle and the connection between the vehicles is broken.

(e) Hazard warning lights, as permitted by paragraphs (2) and (3) of subdivision (a) may be flashed in a repeating series of short and long flashes when the driver is in need of help.

SEC. 3. No reimbursement is required by this act pursuant to

Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

CHAPTER 257

An act to amend Section 1533 of the Penal Code, relating to search warrants.

[Approved by Governor July 9, 1986 Filed with Secretary of State July 10, 1986]

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

SECTION 1. Section 1533 of the Penal Code is amended to read:

1533. Upon a showing of good cause, the magistrate may, in his or her discretion, insert a direction in a search warrant that it may be served at any time of the day or night. In the absence of such a direction, the warrant shall be served only between the hours of 7 a.m. and 10 p.m.

When establishing "good cause" under this section, the magistrate shall consider the safety of the peace officers serving the warrant and the safety of the public as a valid basis for nighttime endorsements.

CHAPTER 258

An act to amend Section 14132.8 of the Welfare and Institutions Code, relating to Medi-Cal.

[Approved by Governor July 9, 1986. Filed with Secretary of State July 10, 1986.]

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

SECTION 1. Section 14132.8 of the Welfare and Institutions Code is amended to read:

14132.8. Services covered under this chapter shall include rehabilitative services for the physically or cognitively impaired stroke patient, or a patient who has brain injury for whom the medical prognosis and signs indicate potential for faster or more complete recovery, or maintenance or prevention of degeneration, in a variety of situations, including acute inpatient intensive rehabilitation immediately after the occurrence of stroke or injury, inpatient maintenance for the chronically impaired in a hospital or long-term care facility, outpatient services in a rehabilitation clinic

or an adult day health care center, and in-home care or home health agency services for the patient at home.

Rehabilitative services for the physically or cognitively impaired patient only for those whom the medical prognosis and signs indicate potential for faster or more complete recovery, or maintenance or prevention of degeneration, shall be considered to fall within the definition of medical necessity, as that term is used in Section 14133.3.

For purposes of this section, "brain injury" means clinically evident brain damage resulting directly or indirectly from tumor, trauma, infection, anoxia, or vascular lesions not primarily due to degenerative or aging processes which result in temporary or permanent physical or cognitive deficits.

This section shall not negate the department's utilization review authority under subdivision (a) of Section 14133.

CHAPTER 259

An act to amend Section 21061 of the Public Contract Code, relating to the San Bernardino County Flood Control District.

[Approved by Governor July 9, 1986. Filed with Secretary of State July 10, 1986]

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

SECTION 1. Section 21061 of the Public Contract Code is amended to read:

21061. All contracts for any improvement or unit of work, except as provided, estimated to cost in excess of twenty-five thousand dollars ($25,000), shall be let to the lowest responsible bidder in the manner provided.

The board of supervisors of the district shall advertise by five or more insertions in a daily newspaper of general circulation, or by two or more insertions in a weekly newspaper of general circulation, printed and published in the district, inviting sealed proposals for the construction of the improvement or work. The board shall require the successful bidder or bidders to file with the board good and sufficient bonds, to be approved by the board, conditioned upon the faithful performance of the contract and upon the payment of all claims for labor and material in connection therewith, the bonds to contain the terms and conditions set forth in Chapter 7 (commencing with Section 3247) of Title 15 of Part 4 of Division 3 of the Civil Code and to be subject to that chapter.

The board may also reject any and all bids not suitable to the best interests of the district. If all proposals are rejected or no proposals are received pursuant to advertisement therefor, or the work consists of channel protection, dam protection, temporary work, maintenance work, or of emergency work when necessary in order

to protect life and property from impending flood damage, the board of supervisors may, without advertising for bids therefor, have the work done by force account. Emergency work, found by the board of supervisors to be necessary in order to protect life and property from impending flood damage, may also be done by negotiated contract without advertising for bids or requiring bonds therefor.

The board of supervisors may authorize the flood control engineer to execute changes for any contract in an amount not to exceed five thousand dollars ($5,000) for contracts of fifty thousand dollars ($50,000) or less, or 10 percent for contracts over fifty thousand dollars ($50,000), but in no event to exceed a net additional total of twenty-five thousand dollars ($25,000).

CHAPTER 260

An act to amend Section 25208.8 of the Health and Safety Code, relating to surface impoundments.

[Approved by Governor July 9, 1986 Filed with Secretary of State July 10, 1986.]

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

SECTION 1. Section 25208.8 of the Health and Safety Code is amended to read:

25208.8. A person who receives a notice from a regional board, pursuant to Section 25208.7, or who files an application for an exemption pursuant to Section 25208.5 or 25208.13, shall submit a hydrogeological assessment report to the regional board. A qualified person shall be responsible for the preparation of the report and shall certify its completeness and accuracy. The report shall contain, for each surface impoundment, any information required by the state board or the regional board, and all of the following information:

(a) A description of the surface impoundment, including its physical characteristics, its age, the presence or absence of a liner, a description of the liner, the liner's compatibility with the hazardous wastes discharged to the impoundment, and the design specifications of the impoundment.

(b) A description of the volume and concentration of hazardous waste constituents placed in the surface impoundment, based on a representative chemical analysis of the specific hazardous waste type and accounting for variance in hazardous waste constituents over time.

(c) A map showing the distances, within the facility, to the nearest surface water bodies and springs, and the distances, within one mile from the facility's perimeter, to the nearest surface water bodies and springs.

(d) Tabular data for each surface water body and spring shown on

the map specified in subdivision (c) which indicate its flow and a representative water analysis. The report shall include an evaluation and characterization of seasonal changes and, if substantive changes result from season to season, the tabular data shall reflect these seasonal changes.

(e) A map showing the location of all wells within the facility and the locations of all wells within one mile of the facility's perimeter. The report shall include, for each well, a description of the present use of the well, a representative water analysis from the well, and, when possible, the water well driller's report or well log.

(f) An analysis of the vertical and lateral extent of the perched water and water-bearing strata which could be affected by leachate from the surface impoundment, and the confining beds under and adjacent to the surface impoundment. This analysis shall include all of the following:

(1) Maps showing contours of equal elevation of the water surface for perched water, unconfined water, and confined groundwater required to be analyzed by this subdivision.

(2) An estimate of the groundwater flow, direction of the perched water, and all water-bearing strata on both the maps and the subsurface geologic cross sections.

(3) An estimate of the transmissivity, permeability, and storage coefficient for each perched zone of water and water-bearing strata identified on the maps specified in paragraph (1).

(4) A determination of the rate of groundwater flow.

(5) A determination of the water quality of each zone of the water-bearing strata and perched water which is identified on the maps specified in paragraph (1) and which is under, or adjacent to, the facility. This determination shall be conducted by taking samples either from upgradient of the surface impoundment or from another location which has not been affected by leakage from the surface impoundment.

(g) An indication as to whether the groundwater is contiguous with regional bodies of groundwater and the depth measured to the groundwater, including the depth measured to perched water and water-bearing strata identified on the maps specified in paragraph (1).

(h) The following climatological information:

(1) A map showing the contours for the mean annual long-term precipitation for the surrounding region within 10 miles of the surface impoundment.

(2) Calculations estimating the maximum 24-hour precipitation and maximum and minimum annual precipitation at the facility based upon direct measurement at the facility or upon measured values of precipitation from a nearby climatologically similar station.

(3) The projected volume and pattern of runoff for any streams which, in a 100-year interval, could effect the facility, including peak stream discharges associated with storm conditions.

(i) A description of the composition of the vadose zone beneath

the surface impoundment. This description shall include a chemical and hydrogeological characterization of both the consolidated and unconsolidated rock material underlying the surface impoundment, and an analysis for pollutants, including those constituents discharged into the surface impoundment. This description shall also include soil moisture readings from a representative number of points around the surface impoundment's perimeter and at the maximum depth of the surface impoundment. The report shall arrange all monitoring data in a tabular form so that the data, the constituents, and the concentrations are readily discernible.

(j) A measurement of the chemical characteristics of the soil made by collecting a soil sample upgradient from the impoundment or from an area which has not been affected by seepage from the surface impoundment and which is in a hydrogeologic environment similar to the surface impoundment. The measurement shall be analyzed for the same pollutants analyzed pursuant to subdivision (i).

(k) A description of the existing monitoring being conducted to detect leachate, including vadose zone monitoring, the number and positioning of the monitoring wells, the monitoring wells' distances from the surface impoundment, the monitoring wells' design data, the monitoring wells' installation, the monitoring development procedures, the sampling methodology, the sampling frequency, the chemical constituents analyzed, and the analytical methodology. The design data of the monitoring wells shall include the monitoring wells' depth, the monitoring wells' diameters, the monitoring wells' casing materials, the perforated intervals within the well, the size of the perforations, the gradation of the filter pack, and the extent of the wells' annular seals.

(*l*) Documentation demonstrating that the monitoring system and methods used at the facility can detect any seepage before the hazardous waste constituents enter the waters of the state. This documentation shall include, but is not limited to, substantiation of each of the following:

(1) The monitor wells are located close enough to the surface impoundment to identify lateral and vertical migration of any constituents discharged to the impoundment.

(2) The monitoring wells are not located within the influence of any adjacent pumping wells which might impair their effectiveness.

(3) The monitor wells are only screened in the aquifer to be monitored.

(4) The chosen casing material does not interfere with, or react to, the potential contaminants of major concern at the facility.

(5) The casing diameter allows an adequate amount of water to be removed during sampling and allows full development of the monitor well.

(6) The annular seal prevents pollutants from migrating down the monitor well.

(7) The methods of water sample collection require that the

sample is collected after at least five well volumes have been removed from the well and that the samples are transported and handled in accordance with the United States Geological Survey's "National Handbook of Recommended Methods for Water-Data Acquisition," which provides guidelines for collection and analysis of groundwater samples for selected unstable constituents.

(8) The hazardous waste constituents selected for analysis are specific to the facility, taking into account the chemical composition of hazardous wastes previously placed in the surface impoundment. The monitoring data shall be arranged in tabular form so that the date, the constituents, and the concentrations are readily discernible.

(9) The frequency of monitoring is sufficient to give timely warning of leachate so that remedial action can be taken prior to any adverse changes in the quality of the groundwater.

(10) A written statement from the qualified person preparing the report indicating whether any constituents have migrated into the vadose zone, surface water bodies, perched water, or water-bearing strata.

(11) A written statement from the qualified person preparing the report indicating whether any migration of leachate into the vadose zone, surface water bodies, perched water, or water-bearing strata is likely or not likely to occur within five years, and any evidence supporting that statement.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 f Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

CHAPTER 261

An act to amend Section 2315.1 of the Public Resources Code, relating to mining.

[Approved by Governor July 9, 1986. Filed with Secretary of State July 10, 1986]

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

SECTION 1. Section 2315.1 of the Public Resources Code is amended to read:

2315.1. The board of supervisors, may require, by resolution, that any person filing an affidavit pursuant to Section 2315 demonstrate proof of payment of any unsecured tax levied against the mining claim on which the affidavit is filed, prior to the recordation of the affidavit.

If a resolution is adopted by the board of supervisors pursuant to

this section, it may include the following provisions, and any other provisions determined by the board as necessary to carry out the intent of this section:

(a) A provision prohibiting the county recorder from accepting the affidavit for recordation without the tax collector's certification that the taxes have been paid.

(b) A provision requiring the following:

(1) That, when taxes are paid, the tax collector issue a receipt or certificate of payment for use in certification of the affidavit.

(2) That the county recorder forward the affidavit to the tax collector if the county recorder receives an affidavit for recording by mail and the affidavit does not contain the tax collector's certification that the taxes have been paid.

(3) That, if applicable, the tax collector then certify that the taxes have been paid on the face of the affidavit and return the document to the county recorder for recording.

(4) That, if the taxes have not been paid, the tax collector return the affidavit unrecorded to the filer.

CHAPTER 262

An act to amend Section 12301 of the Penal Code, relating to destructive devices.

[Approved by Governor July 9, 1986 Filed with Secretary of State July 10, 1986]

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

SECTION 1. Section 12301 of the Penal Code is amended to read:

12301. (a) The term "destructive device," as used in this chapter, shall include any of the following weapons:

(1) Any projectile containing any explosive or incendiary material or any other chemical substance, including, but not limited to, that which is commonly known as tracer or incendiary ammunition, except tracer ammunition manufactured for use in shotguns.

(2) Any bomb, grenade, explosive missile, or similar device or any launching device therefor.

(3) Any weapon of a caliber greater than .60 caliber which fires fixed ammunition, or any ammunition therefor, other than a shotgun, shotgun ammunition, or an antique cannon. For purposes of this section, the term "antique cannon" means any cannon manufactured before January 1, 1899, which has been rendered incapable of firing or for which ammunition is no longer manufactured in the United States and is not readily available in the ordinary channels of commercial trade.

(4) Any rocket, rocket-propelled projectile, or similar device of a diameter greater than 0.60 inch, or any launching device therefor,

and any rocket, rocket-propelled projectile, or similar device containing any explosive or incendiary material or any other chemical substance, other than the propellant for such device, except such devices as are designed primarily for emergency or distress signaling purposes.

(5) Any breakable container which contains a flammable liquid with a flashpoint of 150 degrees Fahrenheit or less and has a wick or similar device capable of being ignited, other than a device which is commercially manufactured primarily for the purpose of illumination.

(b) The term "explosive," as used in this chapter, shall mean any explosive defined in Section 12000 of the Health and Safety Code.

CHAPTER 263

An act to amend Section 9700 of the Health and Safety Code, relating to pet cemeteries.

[Approved by Governor July 9, 1986 Filed with Secretary of State July 10, 1986]

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

SECTION 1. Section 9700 of the Health and Safety Code is amended to read:

9700. The owner of property may dedicate the property to pet cemetery purposes by a notarized dedication recorded with the county recorder of the county in which the property is situated on or after January 1, 1985. The dedication document shall specify the length of time for which the dedication is made. Dedicated property shall be held and used exclusively for pet cemetery purposes, unless and until the dedication is removed from all or any part of the property by an order and decree of the superior court of the county in which the property is situated, in a proceeding brought by the pet cemetery owners for the purpose of removing the pet cemetery dedication and upon notice of hearing and proof satisfactory to the court of both of the following:

(a) That no interments were made in, or that all interments have been removed from, that portion of the property from which the dedication is sought to be removed.

(b) That the pet cemetery owners have received written authorization from those persons whose pets have been buried in the cemetery, or their heirs or assignees, to remove the dedication from their respective plots or to disinter the pet for removal to another plot location. The written authorization may or may not be given for legal consideration.

CHAPTER 264

An act to amend Sections 647 and 647a of the Penal Code, relating to crimes.

[Approved by Governor July 9, 1986 Filed with Secretary of State July 10, 1986]

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

SECTION 1. Section 647 of the Penal Code is amended to read:

647. Every person who commits any of the following acts is guilty of disorderly conduct, a misdemeanor:

(a) Who solicits anyone to engage in or who engages in lewd or dissolute conduct in any public place or in any place open to the public or exposed to public view.

(b) Who solicits or who engages in any act of prostitution. As used in this subdivision, "prostitution" includes any lewd act between persons for money or other consideration.

(c) Who accosts other persons in any public place or in any place open to the public for the purpose of begging or soliciting alms.

(d) Who loiters in or about any toilet open to the public for the purpose of engaging in or soliciting any lewd or lascivious or any unlawful act.

(e) Who loiters or wanders upon the streets or from place to place without apparent reason or business and who refuses to identify himself or herself and to account for his or her presence when requested by any peace officer so to do, if the surrounding circumstances are such as to indicate to a reasonable person that the public safety demands such identification.

(f) Who is found in any public place under the influence of intoxicating liquor, any drug, controlled substance, toluene, any substance defined as a poison in Schedule D of Section 4160 of the Business and Professions Code, or any combination of any intoxicating liquor, drug, controlled substance, toluene, or any such poison, in such a condition that he or she is unable to exercise care for his or her own safety or the safety of others, or by reason of his or her being under the influence of intoxicating liquor, any drug, controlled substance, toluene, any substance defined as a poison in Schedule D of Section 4160 of the Business and Professions Code, or any combination of any intoxicating liquor, drug, toluene, or any such poison, interferes with or obstructs or prevents the free use of any street, sidewalk, or other public way.

(g) When a person has violated subdivision (f), a peace officer, if he or she is reasonably able to do so, shall place the person, or cause him or her to be placed, in civil protective custody. Such person shall be taken to a facility, designated pursuant to Section 5170 of the Welfare and Institutions Code, for the 72-hour treatment and evaluation of inebriates. A peace officer may place a person in civil

protective custody with that kind and degree of force which would be lawful were he or she effecting an arrest for a misdemeanor without a warrant. No person who has been placed in civil protective custody shall thereafter be subject to any criminal prosecution or juvenile court proceeding based on the facts giving rise to such placement. This subdivision shall not apply to the following persons:

(1) Any person who is under the influence of any drug, or under the combined influence of intoxicating liquor and any drug.

(2) Any person who a peace officer has probable cause to believe has committed any felony, or who has committed any misdemeanor in addition to subdivision (f).

(3) Any person who a peace officer in good faith believes will attempt escape or will be unreasonably difficult for medical personnel to control.

(h) Who loiters, prowls, or wanders upon the private property of another, at any time, without visible or lawful business with the owner or occupant thereof. As used in this subdivision, "loiter" means to delay or linger without a lawful purpose for being on the property and for the purpose of committing a crime as opportunity may be discovered.

(i) Who, while loitering, prowling, or wandering upon the private property of another, at any time, peeks in the door or window of any inhabited building or structure located thereon, without visible or lawful business with the owner or occupant thereof.

(j) Who lodges in any building, structure, vehicle, or place, whether public or private, without the permission of the owner or person entitled to the possession or in control thereof.

In any accusatory pleading charging a violation of subdivision (b), if the defendant has been once previously convicted of a violation of that subdivision, the previous conviction shall be charged in the accusatory pleading; and, if the previous conviction is found to be true by the jury, upon a jury trial, or by the court, upon a court trial, or is admitted by the defendant, the defendant shall be imprisoned in the county jail for a period of not less than 45 days and shall not be eligible for release upon completion of sentence, on parole, or on any other basis until he or she has served a period of not less than 45 days in the county jail. In no such case shall the trial court grant probation in lieu of the minimum sentence or suspend the execution of sentence imposed upon the defendant.

In any accusatory pleading charging a violation of subdivision (b) of this section, if the defendant has been previously convicted two or more times of a violation of that subdivision, each previous conviction shall be charged in the accusatory pleading; and, if two or more of such previous convictions are found to be true by the jury, upon a jury trial, or by the court, upon a court trial, or are admitted by the defendant, the defendant shall be imprisoned in the county jail for a period of not less than 90 days and shall not be eligible for release upon completion of sentence, on parole, or on any other basis until he or she has served a period of not less than 90 days in the

county jail. In no such case shall the trial court grant probation in lieu of the minimum sentence or suspend the execution of sentence imposed upon the defendant.

SEC. 2. Section 647a of the Penal Code is amended to read:

647a. Every person who annoys or molests any child under the age of 18 is a vagrant and is punishable by a fine not exceeding one thousand dollars ($1,000) or by imprisonment in the county jail for not exceeding one year or by both such fine and imprisonment. Every person who violates this section after having entered, without consent, an inhabited dwelling house, or trailer coach as defined in Section 635 of the Vehicle Code, or the inhabited portion of any other building, is punishable by imprisonment in the state prison, or in the county jail not exceeding one year. Every person who violates this section is punishable upon the second and each subsequent conviction or upon the first conviction after a previous conviction under Section 288 by imprisonment in the state prison.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

CHAPTER 265

An act to amend Sections 64532, 64534, 64661, 64691, 64691.1, and 64694 of, to add Sections 64693.5 and 64702 to, to repeal Sections 64691.8 and 64692 of, and to repeal and add Sections 64691.7 and 64693 of, the Food and Agricultural Code, relating to cattle fees, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 11, 1986. Filed with Secretary of State July 11, 1986]

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

SECTION 1. Section 64532 of the Food and Agricultural Code is amended to read:

64532. The purposes of this chapter are as follows:

(a) To enable the cattle industry, with the aid of the state, to develop, maintain, and expand the state, nationwide, and foreign markets for beef and beef products produced, processed, manufactured, sold, or distributed in this state, for human consumption, and the use and consumption of these beef and beef products in those markets.

(b) In aid, but not in limitation, of the purpose in subdivision (a), to authorize and enable the director to formulate and effectuate,

directly or in cooperation with other agencies and instrumentalities which are specified in this chapter, research relating to the nutritional qualities of beef and beef products and public consumption patterns and trends, and sales stimulation and consumer, or other, educational programs designed to increase the use and consumption of beef and beef products for human consumption.

(c) To provide funds for the administration and enforcement of this chapter by mandatory fees to be collected in the manner which is prescribed in this chapter, unless producers elect to provide those funds through voluntary contributions pursuant to Article 7 (commencing with Section 64671).

SEC. 2. Section 64534 of the Food and Agricultural Code is amended to read:

64534. Any violation of this chapter is a misdemeanor.

SEC. 3. Section 64661 of the Food and Agricultural Code is amended to read:

64661. The director shall conduct, or may cause the council to conduct, programs of education, research, or public information, which are designed to accomplish the following purposes, among others:

(a) Increase the consumption of beef and beef products.

(b) Gather, publicize, and disseminate accurate and scientific information which shows the importance of the use and consumption of beef and beef products in relation to the public health, economy, and diet, and proper nutrition of children and adults.

(c) Study means and methods which are employed in producing, processing, manufacturing, marketing, and distributing beef and beef products in order to comply with the sanitary and other regulations which are imposed by municipalities, this state, and the United States.

(d) Gather and disseminate information regarding the high standards which are observed and imposed to ensure pure and wholesome beef and beef products.

(e) Gather and disseminate information regarding the harmful effects on the public health resulting from the breakdown or instability of the cattle industry, the factors and conditions peculiar to the cattle industry which tend to cause an unbalanced production, the price of beef and beef products in relation to the cost of other items of food in a balanced diet.

(f) Gather and disseminate information regarding the nutritional qualities of beef and beef products and public consumption patterns and trends, and the factors which tend to promote increased consumption of beef and beef products, stabilize the industry, and foster a better understanding and more efficient cooperation among producers and slaughterers and the consuming public.

SEC. 4. Section 64691 of the Food and Agricultural Code is amended to read:

64691. (a) In order to carry out the programs and administer the

activities which are conducted pursuant to this chapter, except as specified in Sections 64691.5 and 64702, a fee of one dollar ($1) per head shall be paid on each sale of cattle and calves as specified in Section 64691.7. The fee shall be charged on all cattle and calves, except the following:

(1) Hides, skins, or reduction animals.

(2) Any cattle that are transported for purposes other than for sale or slaughter and without a change of ownership.

(3) Any cattle custom slaughtered exclusively for the owner, members of the owner's household, or the owner's nonpaying guests or employees.

The fee shall not be charged or collected more than once from each owner upon the same animal and is nonrefundable.

SEC. 5. Section 64691.1 of the Food and Agricultural Code is amended to read:

64691.1. Each person who is required to pay or collect the fees which are required in Section 64691 shall maintain a complete and accurate record of all transactions subject to fees under this chapter. These records shall contain information required by the director relating to the payment or collection of fees, shall be preserved for a period of two years, and shall be offered and submitted for inspection and audit at any reasonable time upon written demand by the director or his or her duly authorized agent.

All information obtained by the director or his or her duly authorized agent from any inspection or audit of records shall be confidential and shall not be disclosed except when required in a judicial proceeding.

SEC. 6. Section 64691.7 of the Food and Agricultural Code is repealed.

SEC. 7. Section 64691.7 is added to the Food and Agricultural Code, to read:

64691.7. The fees required pursuant to Section 64691 shall be due and payable as follows:

(a) The fee for cattle or calves, whether originating in the state or out-of-state, shall be paid by the seller. The fee shall be charged and collected from the seller or from the seller's account and paid to the director by each operator of any stockyard, livestock auction market, slaughterhouse, or registered feedlot in the state. The fee is due and payable to the director on or before the 15th day of the month next succeeding the month in which the cattle and calves are sold. Fees which are not collected in the manner provided in this subdivision shall be collected from the seller by the Bureau of Livestock Identification at the time that brand inspection fees are collected.

(b) The fee for calves for which the fee would not otherwise be collected pursuant to subdivision (a) and which are also exempt from brand inspection, shall be charged and collected from the seller or from the seller's account by the purchaser and paid to the director in the manner specified in subdivision (a).

(c) Any fees which are not collected in the manner specified in subdivision (a) or (b) shall be paid to the director directly by the seller on or before the 15th day of the month next succeeding the month in which the sale occurs.

(d) A fee shall be paid for each head of cattle or calves slaughtered in the state unless specifically exempted by Section 64691 or 64702. If the fee is not deducted from the seller it shall be paid by the purchaser or slaughterer and is due and payable in the manner provided in this section

SEC. 8. Section 64691.8 of the Food and Agricultural Code is repealed.

SEC. 9. Section 64692 of the Food and Agricultural Code is repealed.

SEC. 10. Section 64693 of the Food and Agricultural Code is repealed.

SEC. 11. Section 64693 is added to the Food and Agricultural Code, to read:

64693. (a) Any person who fails to pay, collect, or remit any fees due within the time specified in this chapter shall be liable for administrative costs incurred by the department in enforcing this chapter, including the costs of any audit performed pursuant to Section 64691.1. In addition, the person shall be liable civilly in an amount not to exceed one hundred dollars ($100) for each head of cattle or calves which is sold. The person shall also be liable for all of the following:

(1) The total amount of fees due.

(2) The cost of the civil suit including attorney's fees.

(3) Two percent interest per month on the unpaid balance of the fees owed.

(b) At the request of the director, the Attorney General shall file an action in an appropriate court to collect any unpaid fees, civil penalties, and interest, or in the alternative, the department may bring the action when appropriate.

SEC. 12. Section 64693.5 is added to the Food and Agricultural Code, to read:

64693.5. At the request of the director, the Attorney General shall petition an appropriate court for the issuance of an injunction, restraining any person in violation of any requirement specified in this chapter or regulations adopted pursuant thereto from continuing the violation. The court may also require the performance of any obligation imposed under this chapter or any regulations adopted pursuant thereto.

SEC. 13. Section 64694 of the Food and Agricultural Code is amended to read:

64694. The fees which are collected by the Bureau of Livestock Identification pursuant to this article shall be forwarded to the director at the same time and in the same manner as the inspection fees which are provided for in Article 9 (commencing with Section 21281) of Chapter 6 of Division 10. The director shall reimburse, from

any money which is collected pursuant to this section, the Bureau of Livestock Identification and any other bureaus or agencies of the state for any additional expenses which are incurred by them in the administration or enforcement of this chapter.

SEC. 14. Section 64702 is added to the Food and Agricultural Code, to read:

64702. The following shall apply to this chapter so long as the federal Beef Promotion and Research Act of 1985 (7 U.S.C. Sec. 2901 et seq.) and any resulting regulations are in effect. If the federal act is terminated by subsequent statute or in the manner specified in the act, this fact shall be certified by the director and this section shall be void and have no force and effect.

(a) A fee shall not be collected pursuant to this chapter on the sale of cattle or calves that originated from out-of-state and for which a federal assessment was paid in the originating state in accordance with the requirements of the federal act. When no federal assessment on the sale was paid in the originating state, the director shall ensure that any federal assessment due is paid. This subdivision shall not prevent the collection of fees by the director on subsequent sales of the cattle or calves.

(b) No fee shall be collected on the sale of cattle or calves if the sale is exempt from the federal act and regulations adopted pursuant thereto.

(c) No person shall be liable for more than a total of one dollar ($1) per head per sale of cattle or calves under this chapter and the federal act.

SEC. 15. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

SEC. 16. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to conform the California Beef Council Law to recent changes in related federal law as quickly as possible, it is necessary that this act take effect immediately.

CHAPTER 266

An act making an appropriation to pay certain claims against the State of California, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 11, 1986 Filed with Secretary of State July 11, 1986]

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

SECTION 1. The sum of four million nine hundred twenty-five thousand three hundred thirty-two dollars and twenty cents ($4,925,332.20) is hereby appropriated to the Secretary of the State Board of Control for the payment of certain claims against the State of California, in accordance with the following schedule:

(a) One million eight hundred sixty-three thousand sixty-four dollars and two cents ($1,863,064.02) from the General Fund.

(b) Three hundred twenty-four dollars and seventy cents ($324.70) from the unencumbered balance of category (a) of Item 1500-068-770 of the Budget Act of 1985.

(c) Seventy-five thousand dollars ($75,000) from the unencumbered balance of category (a) of Item 6610-001-001 of the Budget Act of 1985.

(d) Two million nine hundred twenty-five thousand dollars ($2,925,000) from the Motor Vehicle Account in the State Transportation Fund.

(e) Thirty thousand four hundred fifty-three dollars and eighty-two cents ($30,453.82) from unallocated special funds.

(f) Thirty-one thousand four hundred eighty-nine dollars and sixty-six cents ($31,489.66) from unallocated nongovernmental cost funds.

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

In order to settle claims against the state and to end hardship to claimants as quickly as possible, it is necessary for this act to take effect immediately.

CHAPTER 267

An act to amend Section 2191 of, and to add Section 2196.1 to, the Business and Professions Code, relating to elderly persons.

[Approved by Governor July 11, 1986 Filed with Secretary of State July 11, 1986]

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

SECTION 1. Section 2191 of the Business and Professions Code is amended to read:

2191. (a) In determining its continuing education requirements, the Division of Licensing shall consider including a course in human sexuality as defined in Section 2090 and nutrition to be taken by those licensees whose practices may require knowledge in such areas.

(b) The division shall consider including a course in child abuse detection and treatment to be taken by those licensees whose practices are such that there is a likelihood of contact with abused or neglected children.

(c) The division shall consider including a course in acupuncture to be taken by those licensees whose practices may require knowledge in the area of acupuncture and whose education has not included instruction in acupuncture.

(d) The division shall encourage every physician and surgeon to take nutrition as part of his or her continuing education, particularly a physician and surgeon involved in primary care.

(e) The division shall consider including a course in elder abuse detection and treatment to be taken by those licensees whose practices are such that there is a likelihood of contact with abused or neglected persons 65 years of age and older.

SEC. 2. Section 2196.1 is added to the Business and Professions Code, to read:

2196.1. The board shall periodically develop and disseminate information and educational material regarding the detection and treatment of elder abuse and neglect to each licensed physician and surgeon and to each general acute care hospital in this state. The board shall consult with the Adult Protective Services Division of the State Department of Social Services in developing the materials distributed pursuant to this section.

CHAPTER 268

An act to add Article 7 (commencing with Section 19200) to Chapter 2 of Part 3 of Division 13 of the Health and Safety Code, relating to earthquakes.

[Approved by Governor July 11, 1986. Filed with Secretary of State July 11, 1986.]

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

SECTION 1. Article 7 (commencing with Section 19200) is added to Chapter 2 of Part 3 of Division 13 of the Health and Safety Code, to read:

Article 7. Seismic Gas Shutoff Valves

19200. The Legislature finds and declares that existing law does not require that any new seismic gas shutoff valve sold by any person in this state shall, prior to sale, be certified by the State Architect.

19201. As used in this article, "certified seismic gas shutoff valve" means a seismic gas shutoff valve certified by the State Architect pursuant to Section 19202.

19202. The State Architect shall certify seismic gas shutoff valves which, as determined by the State Architect, comply with Chapter 12-23 (commencing with Section 12-23-101) of Part 12 of Title 24 of the California Administrative Code, and which meet all of the following requirements:

(a) The design of the valve shall be operationally simplistic with an integral process design for assuring an optimum level of control and trouble-free functional operation.

(b) The design of the valve shall provide a proven method to automatically provide for expedient and safe gas shutoff in an emergency.

(c) The design of the valve shall minimize or preclude the disruption to the flow of gas from erroneous vibrations, alien forces, or both erroneous vibrations and alien forces.

(d) The design of the valve shall provide a capability for ease of consumer or owner resetting without concern for safety.

(e) The operational and functional design of the valve shall be at least equal to the valve certified by the State Architect pursuant to Article 6 (commencing with Section 19180).

19203. Any new seismic gas shutoff valve sold by any person on or after January 1, 1987, in this state shall, prior to sale, be certified by the State Architect.

19204. This article is limited to the service connections of individual structures to main gas lines and to connections of appliances to gas lines and does not apply to valves within gas lines.

SEC. 2. No reimbursement is required by this act pursuant to

Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

CHAPTER 269

An act to amend Sections 19142 and 19150 of the Education Code, relating to libraries.

[Approved by Governor July 11, 1986. Filed with Secretary of State July 11, 1986.]

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

SECTION 1. Section 19142 of the Education Code is amended to read:

19142. No person may be appointed to the office of county librarian on or after January 1, 1987, unless he or she possesses both of the following qualifications:

(a) Graduation from a graduate library school program accredited by the American Library Association.

(b) Demonstrated knowledge of principles and practices of public administration, including county government, and of the laws applicable to library service in this state.

SEC. 2. Section 19150 of the Education Code is amended to read:

19150. Except when the county librarian is temporarily absent, no person shall serve in the position of county librarian under the title of acting county librarian, or assistant librarian in charge, or any other such title, unless the person meets the qualifications set forth in Section 19142.

In the event qualified candidates for the position of the county librarian cannot be found, the county supervisors shall secure a written permission from the State Librarian to appoint an unqualified person to the position. This written permission may be granted by the State Librarian for a period of time up to but not exceeding one year. The State Librarian may from time to time in his or her discretion renew the permit.

SEC. 3. Reimbursement to local agencies and school districts for costs mandated by the state pursuant to this act shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code and, if the statewide cost of the claim for reimbursement does not exceed five hundred thousand dollars ($500,000), shall be made from the State Mandates Claims Fund.

CHAPTER 270

An act to amend Section 8738 of the Health and Safety Code, relating to endowment care funds.

[Approved by Governor July 11, 1986. Filed with Secretary of State July 11, 1986.]

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

SECTION 1. Section 8738 of the Health and Safety Code is amended to read:

8738. An endowment care cemetery is one which has deposited in its endowment care fund the minimum amounts heretofore required by law and shall hereafter have deposited in its endowment care fund at the time of or not later than completion of the initial sale not less than the following amounts for plots sold or disposed of:

(a) One dollar and seventy-five cents ($1.75) a square foot for each grave.

(b) Twenty-five dollars ($25) for each niche.

(c) Seventy-five dollars ($75) for each crypt; provided, however, that for companion crypts, there shall be deposited seventy-five dollars ($75) for the first crypt and forty dollars ($40) for each additional crypt.

CHAPTER 271

An act to amend Sections 697.370 and 764.070 of the Code of Civil Procedure, relating to real property.

[Approved by Governor July 11, 1986. Filed with Secretary of State July 11, 1986]

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

SECTION 1. Section 697.370 of the Code of Civil Procedure is amended to read:

697.370. (a) The judgment creditor may do either of the following:

(1) Release from the judgment lien all or a part of the real property subject to the lien.

(2) Subordinate to another lien or encumbrance the judgment lien on all or a part of the real property subject to the judgment lien.

(b) A release or subordination is sufficient if it is executed by the judgment creditor in the same manner as an acknowledgment of satisfaction of judgment and contains all of the following:

(1) A description of the real property being released or on which the lien is being subordinated. If the judgment debtor does not have

an interest of record in the real property, the release or subordination shall show the name of the record owner. If all of the real property of the judgment debtor in a county in which the lien is recorded is being released from the judgment lien, or if the judgment debtor has no known interest in any real property in that county, the release shall, in lieu of containing a description of the property being released, contain a statement substantially as follows: "This is a release from the judgment lien described herein of all of the interests in real property of the herein named judgment debtor subject to the lien."

(2) The date the judgment lien was created and where in the records of the county the abstract of judgment or certified copy of the judgment was recorded to create the lien.

(3) The title of the court where the judgment is entered and the cause and number of the action.

(4) The date of entry of the judgment and of any subsequent renewals and where entered in the records of the court.

(5) The name and address of the judgment creditor, the judgment creditor's assignee, if any, and the judgment debtor whose interest in real property is released from the judgment lien or with respect to whom the judgment lien is subordinated.

(c) A release or subordination substantially complying with the requirements of this section is effective even though it contains minor errors that are not seriously misleading.

(d) The execution of a release or subordination of a judgment lien pursuant to this section does not release or subordinate the judgment lien as to judgment debtors not named in the release pursuant to paragraph (5) of subdivision (b).

SEC. 2. Section 764.070 of the Code of Civil Procedure is amended to read:

764.070. Notwithstanding any other provision of this chapter, the judgment in the action is not binding or conclusive on the following:

(a) The state, unless individually joined as a party to the action.

(b) The United States, unless the United States is individually joined as a party to the action and federal law authorizes judgment in the action to be binding or conclusive as to its interests.

CHAPTER 272

An act to add Section 99403 to the Public Utilities Code, relating to transportation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 11, 1986 Filed with Secretary of State July 11, 1986.]

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

SECTION 1. Section 99403 is added to the Public Utilities Code, to read:

99403. In the County of Tuolumne, claims by the county or by a city within the county for streets and roads may also include contributions to the state for the construction and development of State Highway Route 108 from Lime Kiln Road to Phoenix Lake Road, if the county transportation commission determines that it is in the best interest of the county or the city and serves the public interest of the county or city to contribute local transportation funds for the construction and development of that portion of Route 108. The Legislature recognizes that under Section 73 of the Streets and Highways Code that portion of Route 108 is required to be relinquished to local control upon completion of the Sonora Bypass and bypass extension.

SEC. 2. With respect to Section 1 of this act, the Legislature finds and declares that due to the unique nature and circumstances of planned highway projects in the County of Tuolumne, a special law is necessary and that a general law cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution.

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

In order that local expenditures made during the 1985–86 fiscal year for state highway purposes may be paid from the local transportation fund, it is necessary that this act take effect immediately.

CHAPTER 273

An act to amend Section 868.8 of the Penal Code, relating to criminal procedure.

[Approved by Governor July 11, 1986 Filed with Secretary of State July 11, 1986.]

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

SECTION 1. Section 868.8 of the Penal Code is amended to read:

868.8. Notwithstanding any other provision of law, in any criminal proceeding in which the defendant is charged with a violation of Section 243.4, 261, 273a, 273d, 285, 286, 288, 288a, or 289, subdivision (1) of Section 314, or Section 647a, committed with or upon a minor under the age of 11, the court shall take special precautions to provide for the comfort and support of the minor and to protect the minor from coercion, intimidation, or undue influence as a witness, including, but not limited to, any of the following:

(a) In the court's discretion, the witness may be allowed reasonable periods of relief from examination and cross-examination during which he or she may retire from the courtroom. The judge may also allow other witnesses in the proceeding to be examined when the child witness retires from the courtroom.

(b) Notwithstanding Section 68110 of the Government Code, in his or her discretion, the judge may remove his or her robe if the judge believes that this formal attire intimidates the minor.

(c) In the court's discretion the judge, parties, witnesses, support persons, and court personnel may be relocated within the courtroom to facilitate a more comfortable and personal environment for the child witness.

CHAPTER 274

An act to amend Section 1367.3 of the Health and Safety Code, and to amend Sections 10121, 10123.5, and 11512.17 of the Insurance Code, relating to insurance.

[Approved by Governor July 11, 1986 Filed with Secretary of State July 11, 1986]

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

SECTION 1. Section 1367.3 of the Health and Safety Code is amended to read:

1367.3. (a) On and after January 1, 1980, every health care service plan that covers hospital, medical, or surgical expenses on a group basis shall offer benefits for the comprehensive preventive

care of children. Every plan shall communicate the availability of such benefits to all group contract holders and to all prospective group contract holders with whom they are negotiating. This section shall apply to a plan which, by rule or order of the commissioner, has been exempted from the provisions of subdivision (i) of Section 1367, insofar as such section and the rules thereunder relate to the provision of the preventative health care services described herein.

(b) For purposes of this section, benefits for the comprehensive preventive care of children shall be consistent with the Guidelines for Health Supervision of Children and Youth, as adopted by the American Academy of Pediatrics in May, 1982, and provide for the following:

(1) Physician services for routine physical examinations.

(2) Immunizations.

(3) Laboratory services in connection with routine physical examinations.

SEC. 2. Section 10121 of the Insurance Code is amended to read:

10121. (a) No self-insured employee welfare benefit plan, issued or renewed on or after the effective date of this section, which contains coverage for sterilization operations or procedures, shall impose any disclaimer, restriction on, or limitation of, coverage relative to the covered individual's reason for sterilization. All such plans entered into or renewed on or after the effective date of this section shall be construed to be in compliance with this section, and any provision in any such plan which is in conflict with this section shall be of no force or effect.

(b) Every self-insured employee welfare benefit plan issued or amended on or after the operative date of the amendments to this section enacted at the 1971 Regular Session of the Legislature which provides benefits to the employee's dependents, shall contain a provision granting immediate accident and sickness coverage, from and after the moment of birth, to each newborn infant of any family covered. No such plan may be issued or amended if it contains any disclaimer, waiver, or other limitation of coverage relative to the coverage or insurability of newborn infants of a family covered from and after the moment of birth.

(c) No self-insured employee welfare benefit plan which provides maternity benefits for a person covered continuously from conception shall be issued, amended, delivered, or renewed in this state on or after July 1, 1976, if it contains any exclusion, reduction, or other limitations as to coverage, deductibles, or coinsurance provisions as to involuntary complications of pregnancy, unless such provisions apply generally to all benefits paid under the plan. If a fixed amount is specified in such plan for surgery, the fixed amounts for surgical procedures involving involuntary complications of pregnancy shall be commensurate with other fixed amounts payable for procedures of comparable difficulty and severity. In a case where a fixed amount is payable for maternity benefits, involuntary complications of pregnancy shall be deemed an illness and entitled

to benefits otherwise provided by the plan. Where the plan contains a maternity deductible, the maternity deductible shall apply only to expenses resulting from normal delivery and cesarean section delivery; however, expenses for cesarean section delivery in excess of the deductible shall be treated as expenses for any other illness under the plan. This subdivision shall apply to all self-insured employee welfare benefit plans except any such plan made subject to an applicable collective bargaining agreement in effect before July 1, 1976.

For purposes of this subdivision, involuntary complications of pregnancy shall include, but not be limited to, puerperal infection, eclampsia, cesarean section delivery, ectopic pregnancy, and toxemia.

All plans subject to this subdivision and issued, amended, delivered, or renewed in this state on or after July 1, 1976, shall be construed to be in compliance with this section, and any provision in any such plan which is in conflict with this section shall be of no force or effect.

(d) Every self-insured employee welfare benefit plan issued or amended on or after January 1, 1987, which provides benefits to the employee's dependents, shall offer a choice to all employees of coverage for comprehensive preventive health care for children.

(e) For purposes of this section, benefits for the comprehensive preventive care of children shall be consistent with the Guidelines for Health Supervision of Children and Youth, as adopted by the American Academy of Pediatrics in May 1982, and provide for the following:

(1) Physician service for routine physical examinations.

(2) Immunizations.

(3) Laboratory services in connection with routine physical examinations.

(f) As used in this section, "self-insured employee welfare benefit plan" means any plan or program of benefits provided by an employer or an employee organization, or both, for the purpose of providing hospital, medical, surgical, nursing, or dental services, or indemnification for the costs incurred for such services, to such employer's employees or their dependents.

SEC. 3. Section 10123.5 of the Insurance Code is amended to read:

10123.5. (a) On or after January 1, 1980, every insurer issuing group disability insurance which covers hospital, medical, or surgical expenses shall offer benefits for the comprehensive preventive care of children under such terms and conditions as may be agreed upon between the group policyholder and the insurer. Every insurer shall communicate the availability of such benefits to all group policyholders and to all prospective group policyholders with whom they are negotiating.

(b) For purposes of this section, benefits for the comprehensive preventive care of children shall be consistent with the Guidelines

for Health Supervision of Children and Youth, as adopted by the American Academy of Pediatrics in May 1982, and provide for the following:

(1) Physician services for routine physical examinations.

(2) Immunizations.

(3) Laboratory services in connection with routine physical examinations.

SEC. 4. Section 11512.17 of the Insurance Code is amended to read:

11512.17. (a) On and after January 1, 1980, every nonprofit hospital service plan that covers hospital, medical or surgical expenses on a group basis shall offer benefits for the comprehensive preventive care of children. Every plan shall communicate the availability of such benefits to all group contract holders, and to all prospective group contract holders with whom they are negotiating.

(b) For purposes of this section, benefits for the comprehensive preventive care of children shall be consistent with the Guidelines for Health Supervision of Children and Youth, as adopted by the American Academy of Pediatrics in May 1982, and provide for the following:

(1) Physician services for routine physical examinations.

(2) Immunizations.

(3) Laboratory services in connection with routine physical examinations.

CHAPTER 275

An act to amend Sections 19612.1, 19612.2, and 19614.2 of the Business and Professions Code, relating to horseracing.

[Approved by Governor July 11, 1986 Filed with Secretary of State July 11, 1986.]

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

SECTION 1. Section 19612.1 of the Business and Professions Code is amended to read:

19612.1. (a) In addition to the amounts otherwise deducted pursuant to this chapter, every association with an average daily handle of more than seven hundred fifty thousand dollars ($750,000) which conducts a harness, quarter, or Appaloosa horse meeting may deduct from the total amount handled in daily double, quiniela, exacta, and other multiple wagering pools approved by the board up to 3 percent thereof to be distributed as additional commissions and purses in the following percentage ratio: to the association as additional commission, 59.5 percent; to the horsemen as additional purses, 40.5 percent.

(b) From the amount deducted for quarter horse purses under

subdivision (a), a sum equal to 25 percent thereof shall be held by the association to be paid as owners' premiums for California breds winning or placing second at the meeting. The premiums shall be distributed within 30 days of the date on which the funds are received by the officially recognized organization designated to administer this subdivision on a prorated percentage basis of first and second moneys earned to persons owning California-bred quarter horses at the time of their wins or places in races having a total purse value equal to or in excess of the average purse value for races, other than stakes races, won by California-bred horses during the previous year. Except for fair meetings, the maximum award made to an owner in any one race shall not exceed 15 percent of the total awards fund.

The board shall designate the officially recognized organizations representing quarter horse horsemen to administer this subdivision and to distribute premiums. The organizations may, with the approval of the board, make a deduction for expenses not to exceed 10 percent of the total awards fund.

(c) From the amount deducted for Appaloosa horse purses under subdivision (a), a sum equal to 13.33 percent thereof shall be held by the association to be paid as owners' premiums for California breds winning at the meeting. The premiums shall be distributed within 30 days of the close of the meeting on a prorated percentage basis of first moneys earned to persons owning California-bred Appaloosa horses at the time of their wins in races having a total purse value in excess of the average purse value for races, other than stakes races, won by California-bred horses during the previous year. Except for fair meetings, the maximum award made to an owner in any one race shall not exceed 15 percent of the total awards fund. The board shall designate the officially recognized organization representing Appaloosa horsemen to administer this subdivision and to distribute premiums. The organization may, with the approval of the board, make a deduction for expenses not to exceed 5 percent of the total awards fund.

(d) At least 30 days prior to the commencement of its meeting, the association shall file with the board a statement of the additional deduction to be made pursuant to subdivision (a). Except with the consent of the board, the amount of the deduction shall not be changed during the course of the meeting.

(e) In addition to the amounts otherwise deducted pursuant to this section, every harness racing association shall deduct an additional 2 percent of its exotic parimutuel pools to be distributed equally as commissions and purses.

SEC. 2. Section 19612.2 of the Business and Professions Code is amended to read:

19612.2. (a) In addition to the amounts otherwise deducted pursuant to this chapter, every association with an average daily handle of seven hundred fifty thousand dollars ($750,000) or less, except an association subject to Section 19614.2, which conducts a

harness, quarter, or Appaloosa horse meeting may deduct from the total amount handled in its daily exotic parimutuel pool up to 3 percent thereof to be distributed as additional commissions and purses as follows:

(1) For quarter horse meetings conducted other than pursuant to Section 19612.6 and for Appaloosa horse meetings, as agreed to by the association conducting the meeting and the organization representing the horsemen participating at the meeting.

(2) For harness and quarter horse meetings conducted pursuant to Section 19612.6, 50 percent as commissions and 50 percent as purses.

(b) From the amount deducted for quarter horse purses under subdivision (a), a sum equal to 25 percent thereof shall be held by the association to be paid as owners' premiums for California breds winning or placing second at the meeting. The premiums shall be distributed within 30 days of the date on which the funds are received by the officially recognized organization designated to administer this subdivision on a prorated percentage basis of first and second moneys earned to persons owning California-bred quarter horses at the time of their wins or places in races having a total purse value equal to or in excess of the average purse value for races, other than stakes races, won by California-bred horses during the previous year. Except for fair meetings, the maximum award made to an owner in any one race shall not exceed 15 percent of the total awards fund.

The board shall designate the officially recognized organizations representing quarter horse horsemen to administer this subdivision and to distribute premiums. The organizations may, with the approval of the board, make a deduction for expenses not to exceed 10 percent of the total awards fund.

(c) From the amount deducted for Appaloosa horse purses under subdivision (a), a sum equal to 13.33 percent thereof shall be held by the association to be paid as owners' premiums for California breds winning at the meeting. The premiums shall be distributed within 30 days of the close of the meeting on a prorated percentage basis of first moneys earned to persons owning California-bred Appaloosa horses at the time of their wins in races having a total purse value in excess of the average purse value for races, other than stakes races, won by California-bred horses during the previous year. Except for fair meetings, the maximum award made to an owner in any one race shall not exceed 15 percent of the total awards fund. The board shall designate the officially recognized organization representing Appaloosa horsemen to administer this subdivision and to distribute premiums. The organization may, with the approval of the board, make a deduction for expenses not to exceed 5 percent of the total awards fund.

(d) At least 30 days prior to the commencement of its meeting, the association shall file with the board a statement of the additional deduction to be made pursuant to subdivision (a) and its distribution

between commissions and purses. Except with the consent of the board, the amount of the deduction and its distribution shall not be changed during the course of the meeting.

(e) In addition to any deductions pursuant to this section, every harness racing association shall also deduct an additional 2 percent of its daily exotic parimutuel pool to be distributed equally as commissions and purses.

SEC. 3. Section 19614.2 of the Business and Professions Code is amended to read:

19614.2. (a) In addition to the amounts otherwise deducted pursuant to this chapter, the California Exposition and State Fair, or a district or county fair, or an association conducting its meeting pursuant to Section 19549.1, may deduct from the total amount handled in daily double, quiniela, exacta, and other multiple wagering pools approved by the board up to 3 percent thereof to be distributed as additional commissions and purses in the current year of the fair meet. Of the amount deducted, if any, 52 percent shall be distributed as additional purses and 48 percent shall be distributed as additional commissions.

(b) At least 30 days prior to the commencement of its meeting, the association shall file with the board a statement of the additional deduction to be made pursuant to subdivision (a). Except with the consent of the board, the amount of the deduction shall not be changed during the course of the meeting.

(c) From the amount deducted for thoroughbred purses under subdivision (a), a sum equal to 13.33 percent thereof shall be held by the association to be paid as owners' premiums for California breds winning at the meeting. The sum shall be deposited within seven days of the close of the meeting with the official registering agency of California thoroughbred racehorses in a depository approved by the board. After deduction of expenses, not to exceed 5 percent, and approval of all the deductions by the board, the fund shall then be distributed on a prorated percentage basis of first moneys earned to the persons owning California-bred thoroughbreds at the time of their wins, in accordance with the qualifying standards specified in subdivision (c) of Section 19617.

(d) From the amount deducted for quarter horse purses under subdivision (a), a sum equal to 25 percent thereof shall be held by the association to be paid as owners' premiums for California breds winning or placing at the meeting. The premiums shall be distributed within 30 days of the date on which the funds are received by the officially recognized organization designated to administer this subdivision on a prorated percentage basis of first and second place moneys earned to persons owning California-bred quarter horses at the time of their wins or places in races having a total purse value equal to or in excess of the average purse value for races, other than stakes races, won by California-bred horses during the previous year.

The board shall designate the officially recognized organizations

representing quarter horse horsemen to administer this subdivision and to distribute premiums.

The organization may, with the approval of the board, make a deduction for expenses not to exceed 10 percent of the total awards fund.

(e) From the amount deducted for Appaloosa and Arabian horse purses under subdivision (a), a sum equal to 13.33 percent thereof shall be held by the association to be paid as owner's premiums for California breds winning at the meeting. The premiums shall be distributed within 30 days of the close of the meeting on a prorated percentage basis of first moneys earned to persons owning California-bred Appaloosa and Arabian horses at the time of their wins in races having a total purse value in excess of the average purse value for races, other than stakes races, won by California-bred horses during the previous year. The board shall designate the officially recognized organization representing Appaloosa and Arabian horsemen to administer this subdivision and to distribute premiums. The organization may, with the approval of the board, make a deduction for expenses not to exceed 5 percent of the total awards fund.

CHAPTER 276

An act to add Section 25210.66a to the Government Code, relating to county service areas.

[Approved by Governor July 11, 1986. Filed with Secretary of State July 11, 1986]

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

SECTION 1. Section 25210.66a is added to the Government Code, to read:

25210.66a. For any county service area or zone of a county service area providing services under this article, the board of supervisors may fix and collect charges to pay, in whole or in part, for the costs of providing the services. The revenue obtained thereby may be in lieu of, or supplemental to, revenue obtained by the levy of taxes or other methods. The charges may vary by reason of the nature of the use to correspond to the cost and the value of the services. The charges may be determined by apportioning the total cost, not otherwise offset by other available revenue, of the service to each parcel therein in proportion to the estimated benefit from the service to be received by each parcel. Alternatively, the board of supervisors may apportion the total cost by using any method which it determines to be fair and reasonable in apportioning benefit.

Any county service area or zone of any county service area which has fixed charges pursuant to this section may, by ordinance, provide

a procedure for, and collect the charges, on the tax roll in the same manner and at the same time as its general ad valorem property taxes are collected as provided in this section, except that the board of supervisors shall not impose a charge upon a federal or a state governmental agency or another local agency. Any ordinance shall provide that:

(a) Once a year the board of supervisors shall cause to be prepared a written report which shall contain a description of each parcel of real property receiving the particular extended service and the amount of the charge for each parcel for the year computed in conformity with the procedure set forth in the ordinance authorizing collection of the charges on the tax roll. The report shall be filed with the clerk of the board of supervisors.

(b) Upon filing of the report, the clerk shall fix a time, date, and place for hearing thereon and for filing objections or protests to the report. The clerk shall publish notice of the hearing as provided in Section 6066, prior to the date set for hearing, in a newspaper of general circulation printed and published in the county.

(c) At any time, date, and place stated in the notice, the board of supervisors shall hear and consider all objections or protests, if any, to the report and may continue the hearing from time to time. Upon conclusion of the hearing, the board of supervisors may adopt, revise, change, reduce, or modify any charge and shall make its determination upon each charge as described in the report and thereafter, by resolution, shall confirm the report.

(d) The charges set forth in the report, as confirmed, shall appear as a separate item on the tax bill. The charge shall be collected at the same time and in the same manner as ordinary county ad valorem property taxes are collected and shall be subject to the same penalties and the same procedure and sale in case of delinquency as provided for such taxes. All laws applicable to the levy, collection, and enforcement of county ad valorem property taxes shall be applicable to such charge, except that, if for the first year the charge is levied the real property to which the charge relates has been transferred or conveyed to a bona fide purchaser for value, or if a lien of a bona fide encumbrancer for value has been created and attaches thereon, prior to the date on which the first installment of the taxes would become delinquent, the charge confirmed pursuant to this section shall not result in a lien against the real property but, instead, shall be transferred to the unsecured roll for collection.

(e) Whenever a railroad, gas, water, or electric utility right-of-way or electric line right-of-way is included within the service area, or zone of the service area, the railroad, gas, water, or electric utility right-of-way or electric line right-of-way shall be subject to the charges authorized only if, and to the extent that, it is found that it will benefit from the particular extended service, and the railroad, gas, water, or electric utility right-of-way or electric line right-of-way shall be subject to the same penalties, and the same procedure and sale, in case of delinquency as other properties in the service area or

zone. In determining whether or not the railroad, gas, water, or electric utility right-of-way or electric line right-of-way benefits from the extended service, its use as a right-of-way for a railroad, gas, water, or electric utility shall be presumed to be permanent.

CHAPTER 277

An act to amend Section 781 of the Welfare and Institutions Code, relating to juvenile court law.

[Approved by Governor July 11, 1986. Filed with Secretary of State July 11, 1986]

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

SECTION 1. Section 781 of the Welfare and Institutions Code is amended to read:

781. (a) In any case in which a petition has been filed with a juvenile court to commence proceedings to adjudge a person a ward of the court, in any case in which a person is cited to appear before a probation officer or is taken before a probation officer pursuant to Section 626, or in any case in which a minor is taken before any officer of a law enforcement agency, the person or the county probation officer may, five years or more after the jurisdiction of the juvenile court has terminated as to the person, or, in a case in which no petition is filed, five years or more after the person was cited to appear before a probation officer or was taken before a probation officer pursuant to Section 626 or was taken before any officer of a law enforcement agency, or, in any case, at any time after the person has reached the age of 18 years, petition the court for sealing of the records, including records of arrest, relating to the person's case, in the custody of the juvenile court and probation officer and any other agencies, including law enforcement agencies, and public officials as the petitioner alleges, in his or her petition, to have custody of the records. The court shall notify the district attorney of the county and the county probation officer, if he or she is not the petitioner, and the district attorney or probation officer or any of their deputies or any other person having relevant evidence may testify at the hearing on the petition. If, after hearing, the court finds that since the termination of jurisdiction or action pursuant to Section 626, as the case may be, he or she has not been convicted of a felony or of any misdemeanor involving moral turpitude and that rehabilitation has been attained to the satisfaction of the court, it shall order all records, papers, and exhibits in the person's case in the custody of the juvenile court sealed, including the juvenile court record, minute book entries, and entries on dockets, and other records relating to the case in the custody of the other agencies and officials as are named in the order. In any case in which a ward of the juvenile court is subject to

the registration requirements set forth in Section 290 of the Penal Code, a court, in ordering the sealing of the juvenile records of the person, also shall provide in the order that the person is relieved from the registration requirement and for the destruction of all registration information in the custody of the Department of Justice and other agencies and officials. Notwithstanding any other provision of law, the court shall not order the person's records sealed in any case in which the person has been found by the juvenile court to have committed an offense listed in subdivision (b) of Section 707 until at least three years have elapsed since commission of the offense listed in subdivision (b) of Section 707. Once the court has ordered the person's records sealed, the proceedings in the case shall be deemed never to have occurred, and the person may properly reply accordingly to any inquiry about the events, the records of which are ordered sealed. The court shall send a copy of the order to each agency and official named therein, directing the agency to seal its records and stating the date thereafter to destroy the sealed records. Each such agency and official shall seal the records in its custody as directed by the order, shall advise the court of its compliance, and thereupon shall seal the copy of the court's order for sealing of records that it, he, or she received. The person who is the subject of records sealed pursuant to this section may petition the superior court to permit inspection of the records by persons named in the petition, and the superior court may so order. Otherwise, except as provided in subdivision (b), the records shall not be open to inspection.

(b) In any action or proceeding based upon defamation, a court, upon a showing of good cause, may order any records sealed under this section to be opened and admitted into evidence. The records shall be confidential and shall be available for inspection only by the court, jury, parties, counsel for the parties, and any other person who is authorized by the court to inspect them. Upon the judgment in the action or proceeding becoming final, the court shall order the records sealed.

(c) (1) Subdivision (a) does not apply to Department of Motor Vehicle records of any convictions for offenses under the Vehicle Code or any local ordinance relating to the operation, stopping and standing, or parking of a vehicle where the record of any such conviction would be a public record under Section 1808 of the Vehicle Code. However, if a court orders a case record containing any such conviction to be sealed under this section, and if the Department of Motor Vehicles maintains a public record of such a conviction, the court shall notify the Department of Motor Vehicles of the sealing and the department shall advise the court of its receipt of the notice.

Notwithstanding any other provision of law, subsequent to the notification, the Department of Motor Vehicles shall allow access to its record of convictions only to the subject of the record and to insurers which have been granted requester code numbers by the

department. Any insurer to which such a record of conviction is disclosed, when such a conviction record has otherwise been sealed under this section, shall be given notice of the sealing when the record is disclosed to the insurer. The insurer may use the information contained in the record for purposes of determining eligibility for insurance and insurance rates for the subject of the record, and the information shall not be used for any other purpose nor shall it be disclosed by an insurer to any person or party not having access to the record.

(2) This subdivision shall not be construed as preventing the sealing of any record which is maintained by any agency or party other than the Department of Motor Vehicles.

(3) This subdivision shall not be construed as affecting the procedures or authority of the Department of Motor Vehicles for purging department records.

(d) Unless for good cause the court determines that the juvenile court record shall be retained, the court shall order the destruction of a person's juvenile court records that are sealed pursuant to this section as follows: five years after the record was ordered sealed, if the person who is the subject of the record was alleged or adjudged to be a person described by Section 601; or when the person who is the subject of the record reaches the age of 38 if the person was alleged or adjudged to be a person described by Section 602. Any other agency in possession of sealed records may destroy its records five years after the record was ordered sealed.

CHAPTER 278

An act to amend Section 9314 of the Public Resources Code, relating to resource conservation districts.

[Approved by Governor July 11, 1986 Filed with Secretary of State July 11, 1986]

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

SECTION 1. Section 9314 of the Public Resources Code is amended to read:

9314. (a) The term of office of the five directors, except those first elected, shall be four years. The expiration of the term of any director does not constitute a vacancy, and the director shall hold office until his or her successor has qualified.

(b) As an alternative to the election of directors, the board of directors may, by a resolution presented to the board of supervisors of the principal county, request the board of supervisors to appoint directors, except those first elected. In any election year, the board of directors shall file its request with the board of supervisors no later than 125 days prior to the election. A copy of the resolution shall be

furnished to the official responsible for conducting the election at the time it is presented to the board of supervisors of the principal county. The board of supervisors shall, by ordinance, appoint directors, after consultation with the board of supervisors of any other county which contains any part of the district, from those candidates who have filed an application with the board of supervisors. Each application shall include the signatures of 10 qualified voters of the district, a statement that there shall be no election for that district, and any other information specified by the board of supervisors. If the directors are to be appointed, a notice of election shall not be published, but a notice of vacancy shall be posted pursuant to Section 54974 of the Government Code.

Appointment of directors by the board of supervisors does not affect the status of a district as an independent special district.

If the board of supervisors does not conduct interviews of potential candidates or make an appointment within 60 days after the expiration of the term, the board of directors may make the appointment.

CHAPTER 279

An act to amend Section 933.1 of, and to add Section 933.6 to, the Penal Code, relating to grand juries.

[Approved by Governor July 11, 1986. Filed with Secretary of State July 11, 1986.]

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

SECTION 1. Section 933.1 of the Penal Code is amended to read:

933.1. A grand jury may at any time examine the books and records of a redevelopment agency, a housing authority, created pursuant to Division 24 (commencing with Section 33000) of the Health and Safety Code, or a joint powers agency created pursuant to Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code, and, in addition to any other investigatory powers granted by this chapter, may investigate and report upon the method or system of performing the duties of such agency or authority.

SEC. 2. Section 933.6 is added to the Penal Code, to read:

933.6. A grand jury may at any time examine the books and records of any nonprofit corporation established by or operated on behalf of a public entity the books and records of which it is authorized by law to examine, and, in addition to any other investigatory powers granted by this chapter, may investigate and report upon the method or system of performing the duties of such nonprofit corporation.

CHAPTER 280

An act to amend Section 1799.91 of the Civil Code, and to amend Section 7 of Chapter 987 of the Statutes of 1985, relating to consumer credit.

[Approved by Governor July 11, 1986 Filed with Secretary of State July 11, 1986]

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

SECTION 1. Section 1799.91 of the Civil Code is amended to read:

1799.91. (a) Unless the persons are married to each other, each creditor who obtains the signature of more than one person on a consumer credit contract shall deliver to each person who does not in fact receive any of the money, property, or services which are the subject matter of the consumer credit contract, prior to that person's becoming obligated on the consumer credit contract, a notice in English and Spanish in at least 10-point type as follows:

NOTICE TO COSIGNER (Traducción en Inglés Se Requiere Por La Ley)

You are being asked to guarantee this debt. Think carefully before you do. If the borrower doesn't pay the debt, you will have to. Be sure you can afford to pay if you have to, and that you want to accept this responsibility.

You may have to pay up to the full amount of the debt if the borrower does not pay. You may also have to pay late fees or collection costs, which increase this amount.

The creditor can collect this debt from you without first trying to collect from the borrower. The creditor can use the same collection methods against you that can be used against the borrower, such as suing you, garnishing your wages, etc. If this debt is ever in default, that fact may become a part of YOUR credit record.

This notice is not the contract that makes you liable for the debt.

AVISO PARA EL FIADOR (Spanish Translation Required By Law)

Se le está pidiendo que garantice esta deuda. Piénselo con cuidado antes de ponerse de acuerdo. Si la persona que ha pedido este préstamo no paga la deuda, usted tendrá que pagarla. Esté seguro de que usted podrá pagar si sea obligado a pagarla y de que usted desea aceptar la responsabilidad.

Si la persona que ha pedido el préstamo no paga la deuda, es posible que usted tenga que pagar la suma total de la deuda, mas los cargos por tardarse en el pago o el costo de cobranza, lo cual aumenta

el total de esta suma.

El acreedor (financiero) puede cobrarle a usted sin, primeramente, tratar de cobrarle al deudor. Los mismos metodos de cobranza que pueden usarse contra el deudor, podran usarse contra usted, tales como presentar una demanda en corte, quitar parte de su sueldo, etc. Si alguna vez no se cumpla con la obligación de pagar esta deuda, se puede incluir esa información en la historia de credito de usted.

Este aviso no es el contrato mismo en que se le echa a usted la responsabilidad de la deuda.

(b) Whenever notice is required to be given under subdivision (a) and the consumer credit contract is written in a language other than English or Spanish, the creditor shall deliver the notice as required in subdivision (a) in English and, in addition to or in lieu of Spanish, in the language in which the consumer contract is written.

(c) The requirements of subdivisions (a) and (b) do not apply to a creditor offering or extending open-end credit, as defined in Regulation Z, to joint applicants if all of the following conditions are satisfied:

(1) The application or agreement signed by each applicant clearly and conspicuously discloses that after credit approval each applicant shall have the right to use the open-end credit plan to the extent of any limit set by the creditor and may be liable for all amounts extended under the plan to any joint applicant.

(2) After credit approval, the creditor issues for the use of each applicant any credit device such as a credit card which may be used to obtain credit under the open-end credit plan and sends the credit device to the address specified in the application or otherwise delivers the credit device in a manner specified in the application or agreement signed by each applicant.

This paragraph does not apply to a creditor who does not issue a credit card or other credit device in order to obtain credit under the creditor's open-end credit plan.

(d) "Regulation Z" has the meaning set forth in Section 1802.18.

SEC. 2. Section 7 of Chapter 987 of the Statutes of 1985 is amended to read:

Sec. 7. Except as provided in subdivision (d) of this section, until January 1, 1987, a creditor shall be deemed in compliance with this title if the creditor provides any of the following:

(a) The notice required by Section 1799.91 of the Civil Code, prior to January 1, 1986.

(b) The notice provided in Section 444.3 of Title 16 of the Code of Federal Regulations and any Spanish language translation thereof approved by any state agency.

(c) The notice required by Section 1799.91 of the Civil Code.

(d) The creditor shall clearly and conspicuously disclose the information required by subdivision (c) of Section 1799.91 of the Civil Code in all open-end credit application forms or agreements

printed after January 1, 1986, and in all open-end credit application forms or agreements used by the creditor after January 1, 1987.

Except as provided in Section 1799.96 of the Civil Code and subdivision (d) of this section, after January 1, 1987, a creditor shall be deemed in compliance with Title 1.85 (commencing with Section 1799.90) of Part 4 of Division 3 of the Civil Code only if the creditor provides the notice required by Section 1799.91 of the Civil Code.

SEC. 3. The amendment of Section 1799.91 of the Civil Code made at the 1985–86 Regular Session of the Legislature by this act does not constitute a change in, but is declaratory of, the existing law.

CHAPTER 281

An act to amend Section 431.30 of the Code of Civil Procedure, relating to civil procedure.

[Approved by Governor July 11, 1986 Filed with Secretary of State July 11, 1986]

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

SECTION 1. Section 431.30 of the Code of Civil Procedure is amended to read:

431.30. (a) As used in this section:

(1) "Complaint" includes a cross-complaint.

(2) "Defendant" includes a person filing an answer to a cross-complaint.

(b) The answer to a complaint shall contain:

(1) The general or specific denial of the material allegations of the complaint controverted by the defendant.

(2) A statement of any new matter constituting a defense.

(c) Affirmative relief may not be claimed in the answer.

(d) If the complaint is subject to Article 2 (commencing with Section 90) of Chapter 5 of Title 1 of Part 1 or is not verified, a general denial is sufficient but only puts in issue the material allegations of the complaint. If the complaint is verified, unless the complaint is subject to Article 2 (commencing with Section 90) of Chapter 5 of Title 1 of Part 1, the denial of the allegations shall be made positively or according to the information and belief of the defendant. However, if the cause of action is a claim assigned to a third party for collection and the complaint is verified, the denial of the allegations shall be made positively or according to the information and belief of the defendant, even if the complaint is subject to Article 2 (commencing with Section 90) of Chapter 5 of Title 1 of Part 1.

(e) If the defendant has no information or belief upon the subject sufficient to enable him or her to answer an allegation of the complaint, he or she may so state in his or her answer and place his or her denial on that ground.

(f) The denials of the allegations controverted may be stated by reference to specific paragraphs or parts of the complaint; or by express admission of certain allegations of the complaint with a general denial of all of the allegations not so admitted; or by denial of certain allegations upon information and belief, or for lack of sufficient information or belief, with a general denial of all allegations not so denied or expressly admitted.

(g) The defenses shall be separately stated, and the several defenses shall refer to the causes of action which they are intended to answer, in a manner by which they may be intelligibly distinguished.

CHAPTER 282

An act to amend Sections 206, 207, 211, 212, 213, and 217 of the Fish and Game Code, relating to fish and game.

[Approved by Governor July 11, 1986 Filed with Secretary of State July 11, 1986.]

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

SECTION 1. Section 206 of the Fish and Game Code is amended to read:

206. (a) In addition to any other regular or special meetings, the commission shall hold eight meetings, one each in August, October, December, February, April, and June of each year, one meeting to consider the proposals relating to fish, amphibia, and reptiles presented at the October meeting, and one meeting to consider the proposals relating to mammals presented at the February meeting.

(b) The October and December meetings shall be devoted to determining what, if any, regulations should be made pursuant to this article in relation to fish, amphibia, and reptiles and to the making of the regulations.

(c) The February and April meetings shall be devoted to determining what, if any, regulations should be made pursuant to this article in relation to mammals and to the making of those regulations.

(d) The June and August meetings shall be devoted to determining what, if any, regulations should be made pursuant to this article in relation to resident game birds.

(e) After the October meeting, the commission shall hold a fishing proposals meeting, which shall be devoted to open public discussion of, and presentation of objections to, the proposals presented to the commission in October, and after considering the discussion and objections, the commission, at the meeting, shall announce the regulations which it proposes to make relating to fish, amphibia, and reptiles.

(f) After the February meeting, the commission shall hold a hunting proposals meeting, which shall be devoted to open public discussion of, and presentation of objections to, the proposals presented to the commission in February, and, after considering the discussion and objections, the commission, at the meeting, shall announce its determinations and the regulations which it intends to make relating to mammals.

(g) The commission shall give notice of the time and place of the meetings by publishing a notice thereof in any publication issued by the department after determining the time and place of the meetings and prior to the dates thereof. All meetings required by this section shall be open to the public.

SEC. 2. Section 207 of the Fish and Game Code is amended to read:

207. The October, December, February, and the April meeting shall be in the first 10 days of the month. The June meeting shall be held on the last Friday of the month. The commission shall determine and announce the date set for the respective meetings at least 60 days in advance of the meeting.

In even-numbered years, the October and February meetings shall be held in Sacramento, the fishing proposals meetings in Redding or in Red Bluff, as selected by the commission, the hunting proposals meeting in San Diego, and the December and April meetings in Los Angeles or in Long Beach, as selected by the commission. In odd-numbered years, the October and February meetings shall be in Los Angeles or in Long Beach, as selected by the commission, the December and April meetings in Sacramento, the fishing proposals meeting in San Diego, and the hunting proposals meeting in Redding or in Red Bluff, as selected by the commission.

All Sacramento and Los Angeles meetings specified in this section shall be held in state buildings.

SEC. 3. Section 211 of the Fish and Game Code is amended to read:

211. At the meeting in February, the commission shall receive recommendations from its own officers and employees, from the department and other public agencies, from organizations of private citizens, and from any interested persons as to what, if any, regulations should be made relating to mammals, or any species or subspecies thereof.

The minutes of the February meeting relating to the legislative district of each Member of the Legislature shall be mailed by first-class mail to that Member of the Legislature.

SEC. 4. Section 212 of the Fish and Game Code is amended to read:

212. At the hunting proposals meeting, the commission shall publicly announce the regulations it proposes to make relating to mammals. At the April meeting, the commission may hear and consider any objections to its proposed regulations.

SEC. 5. Section 213 of the Fish and Game Code is amended to

read:

213. At, or within 10 days after, the meeting in the first 10 days of April, the commission may adopt regulations in relation to mammals, or any species or subspecies thereof, that it deems necessary to preserve, properly utilize, or maintain the best relative number of each such species or subspecies.

SEC. 6. Section 217 of the Fish and Game Code is amended to read:

217. Within 45 days after the meeting in the first 10 days of December of each year, the commission shall publish and distribute in booklet form any regulations that shall be adopted at the meeting. Within 45 days after the meeting in the first 10 days of April of each year, the commission shall publish and distribute in booklet form any regulations that shall be adopted at the meeting. Within 45 days after the meeting in August of each year, the commission shall publish and distribute in booklet form any regulations that shall be adopted at the meeting.

Copies of all such publications shall be mailed to each county clerk, district attorney, and judge of a municipal court or justice court throughout the state.

CHAPTER 283

An act to add Section 1960 to the Unemployment Insurance Code, relating to unemployment insurance.

[Approved by Governor July 11, 1986 Filed with Secretary of State July 11, 1986]

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

SECTION 1. Section 1960 is added to the Unemployment Insurance Code, to read:

1960. Any finding of fact or law, judgment, conclusion, or final order made by a hearing officer, administrative law judge, or any person with the authority to make findings of fact or law in any action or proceeding before the appeals board, shall not be conclusive or binding in any separate or subsequent action or proceeding, and shall not be used as evidence in any separate or subsequent action or proceeding, between an individual and his or her present or prior employer brought before an arbitrator, court, or judge of this state or the United States, regardless of whether the prior action was between the same or related parties or involved the same facts.

CHAPTER 284

An act to amend Section 1093 of the Public Utilities Code, relating to public utilities.

[Approved by Governor July 11, 1986. Filed with Secretary of State July 11, 1986]

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

SECTION 1. Section 1093 of the Public Utilities Code is amended to read:

1093. (a) The construction project board of consultants shall consist of eminently qualified and highly experienced design, construction, and project management economic specialists who can, as a group or as individuals, independently and objectively address the full scope of design, construction, and project management and economic evaluations requested by the commission.

(b) No member of the construction project board of consultants shall have a current financial interest in, or receive any significant amount of his or her annual compensation for consulting services in his or her area of special expertise from, any corporation or person which has a financial interest in the project. The commission shall define financial interest and significant amount of annual compensation for purposes of this subdivision. Any person considered for appointment to the board shall disclose to the commission any interests in the project or in any corporation or person with a financial interest in the project and any compensation received for consulting services which may constitute a prohibited financial interest.

(c) Notwithstanding subdivision (b), a person appointed by the Federal Energy Regulatory Commission as a member of a board of consultants for the construction of a hydroelectric generation facility or related transmission line who receives compensation from an electrical corporation constructing that facility or line as a member of that board of consultants is not disqualified from an appointment to a construction project board of consultants pursuant to Section 1092.

CHAPTER 285

An act to add Section 17537.3 to the Business and Professions Code, relating to advertising.

[Approved by Governor July 11, 1986. Filed with Secretary of State July 11, 1986]

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

SECTION 1. Section 17537.3 is added to the Business and Professions Code, to read:

17537.3. The following acts are prohibited:

(a) For any person to offer as part of an advertising plan or program, promotional offers of smokeless tobacco products which require proof of purchase of a smokeless tobacco product unless it carries a designation that the offer is not available to minors. Each promotional offer shall include in any mail-in coupon a statement requesting purchasers to verify that the purchaser is 18 years of age or older.

(b) For any person to honor mail-in and telephone requests for promotional offers of smokeless tobacco products unless appropriate efforts are made to ascertain that a purchaser is over 18 years of age. For purposes of this subdivision, appropriate efforts to ascertain the age of a purchaser includes, but is not limited to, requests for a purchaser's birth date.

(c) For any person by any means, as part of an advertising plan or program, to distribute free samples of smokeless tobacco products within a two block radius of any premises or facilities whose primary purpose is directed toward persons under the age of 18 years including, but not limited to, schools, clubhouses, and youth centers, when those premises are being used for their primary purposes.

(d) For any person to distribute, as part of any advertising plan or program, unsolicited samples of smokeless tobacco products through a mail campaign.

CHAPTER 286

An act to amend Section 4 of the Mojave Water Agency Law (Chapter 2146 of the Statutes of 1959), relating to the Mojave Water Agency.

[Approved by Governor July 11, 1986 Filed with Secretary of State July 11, 1986.]

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

SECTION 1. Section 4 of the Mojave Water Agency Law

(Chapter 2146 of the Statutes of 1959) is amended to read:

Sec. 4. The board of directors shall consist of seven directors, all of whom shall be registered to vote within the agency. The directors elected under this act shall hold office until the election and qualifications of their successors.

The term of office of each director shall be four years and as provided in the Uniform District Election Law (Part 3 (commencing with Section 23500) of Division 14 of the Elections Code).

All vacancies occurring in the office of director shall be filled by appointment by a majority of the remaining directors and as provided in Section 1780 of the Government Code. Notwithstanding any other provision of law, an appointment to fill a vacancy in the office of director shall be for the unexpired term of the office in which the vacancy occurs. The person so chosen to fill a vacancy shall be a resident of the division for which the vacancy is being filled.

Successive elective members of the board of directors shall be elected by the voters of the agency as provided in this act.

The seven members of the board of directors, designated and referred to as members numbered 1 through 7, respectively, shall be elected, one from each of the seven divisions of the agency provided for in Section 3.1 and as relocated pursuant to Section 32.5. Each director shall be voted on only by those voters living within the division of which the director is a resident in accordance with this act pertaining to the qualifications of directors.

In case any two or more persons receive an equal number of votes, the board shall forthwith summon the candidates who have received the equal number of votes to appear before it, at a time and place to be designated by the board, and the board shall, at the time and place, determine by lot which person shall be deemed elected.

The succeeding elective directors shall be nominated and elected at the agency general election which shall be held on the first Tuesday after the first Monday in November in each odd-numbered year. The election shall be conducted in accordance with the provisions of the Uniform District Election Law, and elective directors shall take office at noon on the last regular meeting date of the board in November following the agency general election. City officers, whether elected or appointed, may be elected to, and serve contemporaneously as a member of, the board of directors.

At the time each director is elected, he or she shall be a resident of both the agency and the division he or she represents. A director who removes his or her residence from the agency shall no longer be qualified to act as a director, and the board shall fill the vacancy so created as provided in this section. A director is not disqualified from serving for the remainder of his or her term if, during that term, the director's residence is removed from one division to another.

CHAPTER 287

An act to amend Section 1141.11 of the Code of Civil Procedure, relating to judicial arbitration.

[Approved by Governor July 11, 1986 Filed with Secretary of State July 11, 1986]

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

SECTION 1. Section 1141.11 of the Code of Civil Procedure is amended to read:

1141.11. (a) In each superior court with 10 or more judges, all at-issue civil actions pending on or filed after the operative date of this chapter shall be submitted to arbitration, by the presiding judge or the judge designated, under this chapter if the amount in controversy in the opinion of the court will not exceed twenty-five thousand dollars ($25,000) for each plaintiff, which decision shall not be appealable.

(b) In each superior court with less than 10 judges, the court may provide by local rule, when it determines that it is in the best interests of justice, that all at-issue civil actions pending on or filed after the operative date of this chapter, shall be submitted to arbitration by the presiding judge or the judge designated under this chapter if the amount in controversy in the opinion of the court will not exceed twenty-five thousand dollars ($25,000) for each plaintiff, which decision shall not be appealable.

(c) In each municipal court district, the municipal court district may provide by local rule, when it is determined to be in the best interests of justice, that all at-issue civil actions pending on or filed after the operative date of this chapter in such judicial district, shall be submitted to arbitration by the presiding judge or the judge designated under this chapter. The provisions of this section shall not apply to any action maintained pursuant to Section 1781 of the Civil Code or Section 116.2 or 1161 of this code.

(d) The provisions of this chapter shall not apply to those actions filed in a superior or municipal court which has been selected pursuant to Section 1823.1 and is participating in a pilot project pursuant to Title 1 (commencing with Section 1823) of Part 3.5; provided, however, that any superior or municipal court may provide by local rule that the provisions of this chapter shall apply to actions pending on or filed after July 1, 1979. Any action filed in such court after the conclusion of the pilot project shall be subject to the provisions of this chapter.

(e) No local rule of a superior court providing for judicial arbitration may dispense with the conference required pursuant to Section 1141.16.

CHAPTER 288

An act to amend Section 71603.3 of the Government Code, and to amend Section 5 of Chapter 32 of the Statutes of 1986, relating to courts.

[Approved by Governor July 11, 1986 Filed with Secretary of State July 11, 1986]

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

SECTION 1. Section 71603.3 of the Government Code is amended to read:

71603.3. Notwithstanding the provisions of Sections 71602 and 71603, the board of supervisors of a county with a population of 200,000 or less according to the 1970 federal census, with the concurrence of a majority of the judges affected, may by ordinance abolish the office of constable and, instead, require that the duties of constable be performed by the sheriff or marshal; provided, that if the constable holds an elective office, such an ordinance shall become effective only upon the approval of the electors of the county; and further provided, that no member of the office of the constable shall lose salary, rank, or benefits, and that sworn personnel shall be exempt from meeting the requirements set by the Commission on Peace Officer Standards and Training, in the event the office of constable is abolished pursuant to this section.

SEC. 2. Section 5 of Chapter 32 of the Statutes of 1986 is amended to read:

Sec. 5. With respect to the amendments set forth in Sections 2 and 4 of this act, the Legislature finds and declares the following:

(a) That Chapter 1469 of the Statutes of 1984 enacted provisions intended to accomplish each of the following objectives:

(1) Authorized, until January 1, 1989, a new procedure for additional state reimbursement for costs of homicide trials in counties with a population of 300,000 or less.

(2) Directed the Office of Planning and Research to undertake a study, in cooperation with specified public agencies, concerning this provision for reimbursement and to report to the Governor and the Legislature no later than July 1, 1987.

(b) That pending the study outcome there is an immediate need to provide further interim state assistance to small rural counties, with a population of 150,000 or less, that are facing worsening fiscal crises and serious cash flow problems due to extraordinary costs of the investigation and prosecution of a rash of multiple homicides.

(c) That authorization, for an interim period, be provided by this act establishing a revised procedure for small rural counties allowing them to be eligible for additional reimbursement, payable on a regularly scheduled basis, to help relieve the onerous financial burdens suddenly encumbered by excessive costs of homicide cases

over which the small counties have virtually no control.

(d) That the short-term fiscal relief provided by subdivision (b) of Section 15202 of the Government Code, as amended by Section 2 of this act, recognizes and is consistent with the fiscal and programmatic relationships and responsibilities between the state and small rural counties as they involve funding and criminal justice program delivery of partnership programs of local and statewide significance.

(e) That the short-term fiscal relief provided by subdivision (b) of Section 15202 of the Government Code, as amended by Section 2 of this act, shall only be made available to the applicable counties for the costs incurred by them as set forth in that section involving activities undertaken following the filing, in the superior court, of an indictment or information.

SEC. 3. Section 2 of this act corrects a technical error in the law and does not constitute a change in, but is declaratory of, existing law.

CHAPTER 289

An act to amend Section 25602.1 of the Business and Professions Code, relating to alcoholic beverages.

[Approved by Governor July 11, 1986 Filed with Secretary of State July 11, 1986.]

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

SECTION 1. Section 25602.1 of the Business and Professions Code is amended to read:

25602.1. Notwithstanding subdivision (b) of Section 25602, a cause of action may be brought by or on behalf of any person who has suffered injury or death against any person licensed, or required to be licensed, pursuant to Section 23300, or any person authorized by the federal government to sell alcoholic beverages on a military base or other federal enclave, who sells, furnishes, gives or causes to be sold, furnished or given away any alcoholic beverage, and any other person who sells, or causes to be sold, any alcoholic beverage, to any obviously intoxicated minor where the furnishing, sale or giving of that beverage to the minor is the proximate cause of the personal injury or death sustained by that person.

CHAPTER 290

An act to add Section 19827.1 to the Government Code, relating to correctional officer compensation.

[Approved by Governor July 11, 1986 Filed with Secretary of State July 11, 1986]

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

SECTION 1. Section 19827.1 is added to the Government Code, to read:

19827.1. (a) The state recognizes the historic problem of recruitment and retention of peace officers in the Department of Corrections and the Department of Youth Authority. As evidence of this recognition there has been a trend in recent years to improve salaries and benefits for these correctional peace officers. However, due to the continuing need to recruit new officers to fill vacancies, retain seasoned correctional peace officers to reduce turnover rates, and provide comparability in pay to effectively compete with large peace officer employers and ensure necessary staffing levels, salaries must be improved and maintained by the state for peace officers in the Department of Corrections and the Department of the Youth Authority.

(b) To effect the intent of paragraph (a) the department shall take into consideration the salary and benefits of other large employers of peace officers in California.

CHAPTER 291

An act to amend Section 66477 of the Government Code, relating to subdivisions.

[Approved by Governor July 11, 1986 Filed with Secretary of State July 11, 1986]

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

SECTION 1. Section 66477 of the Government Code is amended to read:

66477. The legislative body of a city or county may, by ordinance, require the dedication of land or impose a requirement of the payment of fees in lieu thereof, or a combination of both, for park or recreational purposes as a condition to the approval of a tentative map or parcel map, provided that:

(a) The ordinance has been in effect for a period of 30 days prior to the filing of the tentative map of the subdivision or parcel map.

(b) The ordinance includes definite standards for determining

the proportion of a subdivision to be dedicated and the amount of any fee to be paid in lieu thereof. The amount of land dedicated or fees paid shall be based upon the residential density, which shall be determined on the basis of the approved or conditionally approved tentative map or parcel map and the average number of persons per household. There shall be a rebuttable presumption that the average number of persons per household by units in a structure is the same as that disclosed by the most recent available federal census or a census taken pursuant to Chapter 17 (commencing with Section 40200) of Part 2 of Division 3 of Title 4. However, the dedication of land, or the payment of fees, or both, shall not exceed the proportionate amount necessary to provide three acres of park area per 1,000 persons residing within a subdivision subject to this section, unless the amount of existing neighborhood and community park area, as calculated pursuant to this subdivision, exceeds that limit, in which case the legislative body may adopt the calculated amount as a higher standard not to exceed five acres per 1,000 persons residing within a subdivision subject to this section.

(1) The park area per 1,000 members of the population of the city, county, or local public agency shall be derived from the ratio that the amount of neighborhood and community park acreage bears to the total population of the city, county, or local public agency as shown in the most recent available federal census. The amount of neighborhood and community park acreage shall be the actual acreage of existing neighborhood and community parks of the city, county, or local public agency as shown on its records, plans, recreational element, maps, or reports as of the date of the most recent available federal census.

(2) For cities incorporated after the date of the most recent available federal census, the park area per 1,000 members of the population of the city shall be derived from the ratio that the amount of neighborhood and community park acreage shown on the records, maps, or reports of the county in which the newly incorporated city is located bears to the total population of the new city as determined pursuant to Section 11005 of the Revenue and Taxation Code. In making any subsequent calculations pursuant to this section, the county in which the newly incorporated city is located shall not include the figures pertaining to the new city which were calculated pursuant to this paragraph. Fees shall be payable at the time of the recording of the final map or parcel map or at a later time as may be prescribed by local ordinance.

(c) The land, fees, or combination thereof are to be used only for the purpose of developing new or rehabilitating existing neighborhood or community park or recreational facilities to serve the subdivision.

(d) The legislative body has adopted a general plan or specific plan containing policies and standards for parks and recreation facilities, and the park and recreational facilities are in accordance with definite principles and standards.

(e) The amount and location of land to be dedicated or the fees to be paid shall bear a reasonable relationship to the use of the park and recreational facilities by the future inhabitants of the subdivision.

(f) The city, county, or other local public agency to which the land or fees are conveyed or paid shall develop a schedule specifying how, when, and where it will use the land or fees, or both, to develop park or recreational facilities to serve the residents of the subdivision. Any fees collected under the ordinance shall be committed within five years after the payment of such fees or the issuance of building permits on one-half of the lots created by the subdivision, whichever occurs later. If the fees are not committed, they, without any deductions, shall be distributed and paid to the then record owners of the subdivision in the same proportion that the size of their lot bears to the total area of all lots within the subdivision.

(g) Only the payment of fees may be required in subdivisions containing 50 parcels or less, except that when a condominium project, stock cooperative, or community apartment project exceeds 50 dwelling units, dedication of land may be required notwithstanding that the number of parcels may be less than 50.

(h) Subdivisions containing less than five parcels and not used for residential purposes shall be exempted from the requirements of this section. However a condition may be placed on the approval of such parcel map that if a building permit is requested for construction of a residential structure or structures on one or more of the parcels within four years the fee may be required to be paid by the owner of each such parcel as a condition to the issuance of such permit.

(i) If the subdivider provides park and recreational improvements to the dedicated land, the value of the improvements together with any equipment located thereon shall be a credit against the payment of fees or dedication of land required by the ordinance.

Land or fees required under this section shall be conveyed or paid directly to the local public agency which provides park and recreational services on a communitywide level and to the area within which the proposed development will be located, if such agency elects to accept the land or fee. The local agency accepting such land or funds shall develop the land or use the funds in the manner provided in this section.

If park and recreational services and facilities are provided by a public agency other than a city or a county, the amount and location of land to be dedicated or fees to be paid shall, subject to subdivision (b), be jointly determined by the city or county having jurisdiction and such public agency.

This section does not apply to commercial or industrial subdivisions or to condominium projects or stock cooperatives which consist of the subdivision of airspace in an existing apartment building which is more than five years old when no new dwelling units are added.

Planned developments, real estate developments, stock cooperatives, and community apartment projects, as defined in Sections 11003, 11003.1, 11003.2, 11003.4, and 11004, respectively, of the Business and Professions Code, and condominiums, as defined in Section 783 of the Civil Code, shall be eligible to receive a credit, as determined by the legislative body, against the amount of land required to be dedicated, or the amount of the fee imposed, pursuant to this section, for the value of private open space within the development which is usable for active recreational uses.

Park and recreation purposes shall include land and facilities for the activity of "recreational community gardening," which activity consists of the cultivation by persons other than, or in addition to, the owner of such land, of plant material not for sale.

CHAPTER 292

An act to amend Section 25503.16 of the Business and Professions Code, relating to alcoholic beverages.

[Approved by Governor July 11, 1986 Filed with Secretary of State July 11, 1986]

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

SECTION 1. Section 25503.16 of the Business and Professions Code is amended to read:

25503.16. (a) Nothing in this division shall prohibit the issuance or transfer of any retail onsale or offsale license to any person with respect to premises which are an integral part of the operations of a hotel or motel owned by, or operated by or on behalf of, the licensee notwithstanding that a manufacturer, winegrower, manufacturer's agent, California winegrower's agent, rectifier, distiller, bottler, importer, or wholesaler has any interest, directly or indirectly, in the premises, in the retail license, or in the retail licensee, and notwithstanding that the issuance or transfer would otherwise result in a violation of subdivision (a) of Section 25500, subdivisions (a) or (b) of Section 25501, or subdivision (a), (b), (c), or (d) of Section 25502, provided that each of the following conditions is met:

(1) The hotel or motel consists of not less than 150 guestroom accommodations.

(2) No more than one-quarter of the total gross annual revenues of such hotel or motel is derived from the sale by such hotel or motel of alcoholic beverages.

(3) The retail licensee shall purchase no beer or distilled spirits for sale in this state other than from a wholesale licensee, and the retail licensee shall purchase no alcoholic beverages for sale in this state from any wholesale licensee which has any interest, directly or

indirectly, in the premises, in the retail license, or in the retail licensee.

(b) For purposes of this section, "hotel" and "motel" shall mean an establishment containing guestroom accommodations with respect to which the predominant relationship existing between the occupants thereof and the owner or operator of the establishment is that of innkeeper and guest; for purposes of this subdivision, the existence of other legal relationships as between some occupants and the owner or operator thereof shall be immaterial.

(c) The Legislature finds that it is necessary and proper to require a separation between manufacturing interests, wholesale interests, and retail interests in the production and distribution of alcoholic beverages in order to prevent suppliers from dominating local markets through vertical integration and to prevent excessive sales of alcoholic beverages produced by overly aggressive marketing techniques. The Legislature further finds that the exception established by this section to the general prohibition against tied interests must be limited to its express terms so as not to undermine the general prohibition, and intends that this section be construed accordingly.

CHAPTER 293

An act to amend Section 7048 of the Business and Professions Code, relating to contractors.

[Approved by Governor July 11, 1986 Filed with Secretary of State July 11, 1986]

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

SECTION 1. Section 7048 of the Business and Professions Code is amended to read:

7048. This chapter does not apply to any work or operation on one undertaking or project by one or more contracts, the aggregate contract price for which for labor, materials, and all other items, is less than three hundred dollars ($300), that work or operations being considered as of casual, minor, or inconsequential nature.

This exemption does not apply in any case wherein the work of construction is only a part of a larger or major operation, whether undertaken by the same or a different contractor, or in which a division of the operation is made in contracts of amounts less than three hundred dollars ($300) for the purpose of evasion of this chapter or otherwise.

This exemption does not apply to a person who advertises or puts out any sign or card or other device which might indicate to the public that he or she is a contractor or that he or she is qualified to engage in the business of a contractor.

CHAPTER 294

An act to add Section 1365.5 to the Civil Code, relating to common interest developments.

[Approved by Governor July 11, 1986 Filed with Secretary of State July 11, 1986.]

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

SECTION 1. Section 1365.5 is added to the Civil Code, to read:

1365.5. (a) Unless the governing documents impose more stringent standards, the board of directors of the association shall do all of the following:

(1) Review a current reconciliation of the association's operating accounts on at least a quarterly basis.

(2) Review a current reconciliation of the association's reserve accounts on at least a quarterly basis.

(3) Review, on at least a quarterly basis, the current year's actual reserve revenues and expenses compared to the current year's budget.

(4) Review the latest account statements prepared by the financial institutions where the association has its operating and reserve accounts.

(5) Review an income and expense statement for the association's operating and reserve accounts on at least a quarterly basis.

(b) The signatures of at least two persons, who shall be members of the association's board of directors or, one officer who is not a member of the board of directors and a member of the board of directors, shall be required for the withdrawal of moneys from the association's reserve accounts.

(c) As used in this section, "reserve accounts" means moneys that the association's board of directors has identified from its annual budget for use to defray the future repair or replacement of, or additions to, those major components which the association is obligated to maintain.

(d) This section does not apply to an association that does not have a "common area" as defined in Section 1351.

CHAPTER 295

An act to amend Section 10125 of the Insurance Code, relating to insurance.

[Approved by Governor July 11, 1986 Filed with Secretary of State July 11, 1986.]

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

SECTION 1. Section 10125 of the Insurance Code is amended to read:

10125. (a) On and after the effective date of this section, every insurer issuing group disability insurance which covers hospital, medical, or surgical expenses shall offer coverage for expenses incurred as a result of mental or nervous disorders, under such terms and conditions as may be agreed upon between the group policyholder and the insurer. If the terms and conditions include coverage for inpatient care for nervous or mental disorders, the coverage shall extend to treatment provided at all of the following facilities:

(1) A general acute care hospital as defined in subdivision (a) of Section 1250 of the Health and Safety Code.

(2) An acute psychiatric hospital as defined in subdivision (b) of Section 1250 of the Health and Safety Code.

(3) A psychiatric health facility as defined by Section 1250.2 of the Health and Safety Code operating pursuant to licensure by the State Department of Health Services or pursuant to a waiver of licensure by the State Department of Mental Health.

Nothing in this subdivision prohibits an insurer which negotiates and enters into a contract with a professional or institutional provider for alternative rates of payment pursuant to Sections 10133 and 11512 of this code from restricting or modifying the choice of providers.

(b) Every insurer shall communicate to prospective group policyholders as to the availability of outpatient coverage for the treatment of mental or nervous disorders. Every insurer shall communicate the availability of that coverage to all group policyholders and to all prospective group policyholders with whom they are negotiating. This coverage may include community residential treatment services, as described in Section 5458 of the Welfare and Institutions Code, which are alternatives to institutional care.

CHAPTER 296

An act to amend Sections 18205.5, 18206, 18269, and 18274 of the Financial Code, relating to industrial loan companies.

[Approved by Governor July 11, 1986 Filed with Secretary of State July 11, 1986]

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

SECTION 1. Section 18205.5 of the Financial Code is amended to read:

18205.5. Notwithstanding any other provision of this division, an industrial loan company may make a loan or acquire an obligation which is repayable in unequal periodic payments during its term, and which is secured by either real property or personal property, or both real and personal property, provided that it is not a consumer loan or a consumer obligation subject to subdivision (b) of Section 18210. For purposes of this section, "real property" shall mean real property other than home loans and other residential real property loans subject to Title VIII (Alternative Mortgage Transaction Parity Act of 1982) of the Garn-St. Germain Depository Institutions Act of 1982, as those terms are defined in Part 541 of Title 12 of the Code of Federal Regulations, as amended.

SEC. 2. Section 18206 of the Financial Code is amended to read:

18206. An industrial loan company shall not make a consumer loan or acquire a consumer obligation other than a loan or obligation secured by a motor vehicle unless the loan or obligation is repayable by equal or substantially equal periodic payments during its term. Consumer loans made and obligations acquired which are secured by a motor vehicle and repayable other than in equal periodic payments during its term shall not exceed 50 percent of all consumer loans and obligations which are secured by motor vehicles or 20 percent of assets, whichever is less. This section shall not apply to a loan made to a graduate student at an accredited college or university while the student is actively pursuing a study program leading to a postbaccalaureate degree.

SEC. 3. Section 18269 of the Financial Code is amended to read:

18269. An industrial loan company that has investment certificates outstanding shall not make any loan secured primarily by improved real property in a principal amount in excess of 20 percent of the company's unimpaired capital and surplus not available for dividends as provided in Section 18319. An industrial loan company that has investment certificates outstanding shall not make any loan secured primarily by unimproved real property in a principal amount in excess of 10 percent of the company's unimpaired capital and surplus not available for dividends as provided in Section 18319.

SEC. 4. Section 18274 of the Financial Code is amended to read:

18274. The principal balances of loans made, or obligations

purchased, by an industrial loan company that has investment certificates outstanding, which loans or obligations are secured by unimproved real property, shall not in the aggregate exceed 5 percent of the company's assets unless the commissioner consents to the taking of collateral to protect an existing jeopardized obligation.

CHAPTER 297

An act to amend Section 22731 of the Education Code, to amend Section 20816 of the Government Code, to repeal Section 10216 of the Unemployment Insurance Code, and to repeal Section 3 of Chapter 1290 of the Statutes of 1980, relating to reports.

[Approved by Governor July 11, 1986 Filed with Secretary of State July 11, 1986]

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

SECTION 1. Section 22731 of the Education Code is amended to read:

22731. Notwithstanding any other provisions of this part, whenever the Governor, by executive order, determines that because of an impending curtailment of, or change in the manner of performing service, the best interests of the state would be served by encouraging the retirement of state employees, and that sufficient economies could be realized to offset any cost to state agencies resulting from this section, an additional two years of service shall be credited to members, who are state employees, if the following conditions exist:

(a) The member is credited with five or more years of service and retires during a period not to exceed 120 days or less than 60 days commencing no sooner than the date of issuance of the Governor's executive order which shall specify such period.

(b) The appointing power, as defined in Section 18524, of the Government Code, transmits to the retirement fund an amount determined by the board which is equal to the actuarial equivalent of the difference between the allowance the member receives after the receipt of service credit under this section and the amount the member would have received without the service credit. The transfer to the retirement fund shall be made in a manner and time period acceptable to the employer and the board.

(c) The appointing power determines that it is electing to exercise the provisions of this section, pursuant to the Governor's order, and certifies to the Department of Finance and to the Legislative Analyst, as to the specific economies that will be realized were the additional service credit towards retirement granted.

As used in this section, "member" means a state employee who is employed in a job classification, department, or other organizational

unit designated by the appointing power, as defined in Section 18524 of the Government Code.

The amount of service credit shall be two years regardless of credited service, but shall not exceed the number of years intervening between the date of the member's retirement and the date the member would be required to be retired because of age. The appointing power shall make the payment with respect to all eligible employees who retired pursuant to this section.

Any member who qualifies under this section, upon subsequent reentry to the system shall forfeit the service credit acquired under this section.

This section shall not be applicable to any member otherwise eligible if such member receives any unemployment insurance payments arising out of employment with an employer subject to this part during a period extending one year beyond the date of issuance of the executive order or if the member is not eligible to retire without the additional credit available under this section.

The benefit provided by this section shall not be applicable to the employees of any appointing power until the Director of Finance approves the transmittal of funds by that appointing power or the Board of Regents or the Board of Trustees to the retirement fund pursuant to subdivision (b).

The Director of Finance shall approve the transmittal of funds by the appointing power not sooner than 30 days after notification in writing of the necessity therefor to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than such lesser time as the chairperson of the committee, or his or her designee, may in each instance determine. If there is any written communication between the Director of Finance and the Legislative Analyst, a copy thereof shall be forthwith transmitted to the chairperson of each appropriate policy committee.

SEC. 2. Section 20816 of the Government Code is amended to read:

20816. Notwithstanding any other provisions of this part, whenever the Governor, by executive order, determines that because of an impending curtailment of, or change in the manner of performing service, the best interests of the state would be served by encouraging the retirement of state employees, and that sufficient economies could be realized to offset any cost to state agencies resulting from this section, an additional two years of service shall be credited to state members, other than school members, if the following conditions exist:

(a) The member is credited with five or more years of service and retires during a period not to exceed 120 days or less than 60 days commencing no sooner than the date of issuance of the Governor's executive order which shall specify such period.

(b) The appointing power, as defined in Section 18524, or the Board of Regents of the University of California or the Board of

Trustees of the California State University, transmits to the retirement fund an amount determined by the board which is equal to the actuarial equivalent of the difference between the allowance the member receives after the receipt of service credit under this section and the amount the member would have received without such service credit. The transfer to the retirement fund shall be made in a manner and time period acceptable to the employer and the board.

(c) The appointing power or the Board of Regents or the Board of Trustees determines that it is electing to exercise the provisions of this section, pursuant to the Governor's order, and certifies to the State Department of Finance and to the Office of Legislative Analyst, as to the specific economies that will be realized were the additional service credit towards retirement granted.

As used in this section, "member" means a state employee who is employed in a job classification, department, or other organizational unit designated by the appointing power, as defined in Section 18524, the Board of Regents of the University of California, or the Board of Trustees of the California State University.

The amount of service credit shall be two years regardless of credited service, but shall not exceed the number of years intervening between the date of the member's retirement and the date the member would be required to be retired because of age. The appointing power or the Board of Regents or the Board of Trustees shall make such payment with respect to all eligible employees who retired pursuant to this section.

Any member who qualifies under this section, upon subsequent reentry to the system shall forfeit the service credit acquired under this section.

This section shall not be applicable to any member otherwise eligible if such member receives any unemployment insurance payments arising out of employment with an employer subject to this part during a period extending one year beyond the date of issuance of the executive order or if the member is not eligible to retire without the additional credit available under this section.

The benefit provided by this section shall not be applicable to the employees of any appointing power or the Board of Regents or the Board of Trustees until the Director of Finance approves the transmittal of funds by that appointing power or the Board of Regents or the Board of Trustees to the retirement fund pursuant to subdivision (c).

The Director of Finance shall approve the transmittal of funds by the appointing power or the Board of Regents or the Board of Trustees not sooner than 30 days after notification in writing of the necessity therefor to the chairperson of the committee in each house which considers appropriations and the Chairperson of the Joint Legislative Budget Committee, or not sooner than such lesser time as the chairperson of the committee, or his or her designee, may in each instance determine. If there is any written communication

between the Director of Finance and the Legislative Analyst, a copy thereof shall be forthwith transmitted to the chairperson of each appropriate policy committee.

SEC. 3. Section 10216 of the Unemployment Insurance Code is repealed.

SEC. 4. Section 3 of Chapter 1290 of the Statues of 1980 is repealed.

CHAPTER 298

An act to amend Section 51335.5 of the Water Code, to amend Section 7⅝ of the Knight's Landing Ridge Drainage District Act (Chapter 99 of the Statutes of 1913), and to amend Section 7⅞ of the Sacramento River West Side Levee District Act (Chapter 361 of the Statutes of 1915), relating to water districts.

[Approved by Governor July 11, 1986 Filed with Secretary of State July 11, 1986]

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

SECTION 1. Section 51335.5 of the Water Code is amended to read:

51335.5. In the event the assessment for any parcel of land separately assessed, based upon the rate fixed pursuant to Section 51335, is less than twenty-five dollars ($25), a minimum assessment may be set by the board at an amount determined by the board to be adequate to defray the cost of collecting each minimum assessment, but which shall not exceed twenty-five dollars ($25) for each separately assessed parcel of land.

SEC. 2. Section 7⅝ of the Knight's Landing Ridge Drainage District Act (Chapter 99 of the Statutes of 1913) is amended to read:

Sec. 7⅝. The board of drainage commissioners may establish a minimum assessment for any parcel of land separately assessed, based upon the rate fixed pursuant to Section 7¾, to the same extent and in the same manner as may be set by the board of trustees of a reclamation district pursuant to Division 15 (commencing with Section 50000) of the Water Code.

SEC. 3. Section 7⅞ of the Sacramento River West Side Levee District Act (Chapter 361, Statutes of 1915) is amended to read:

Sec. 7⅞. The board of levee commissioners may establish a minimum assessment for any parcel of land separately assessed, based upon the rate fixed pursuant to Section 7½, to the same extent and in the same manner as may be set by the board of trustees of a reclamation district pursuant to Division 15 (commencing with Section 50000) of the Water Code.

CHAPTER 299

An act to amend Sections 17311 and 17314 of the Financial Code, relating to escrow agents, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 11, 1986 Filed with Secretary of State July 11, 1986]

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

SECTION 1. Section 17311 of the Financial Code is amended to read:

17311. Persons licensed pursuant to this division shall maintain a corporation under the Nonprofit Mutual Benefit Corporation Law (Part 3 (commencing with Section 7110) of Division 2 of Title 1 of the Corporations Code) operating under the name Escrow Agents' Fidelity Corporation. The State of California, the Department of Corporations, or any officer, agent, or employee of either shall not be liable in any way for the conduct of Fidelity Corporation, its directors, officers, agents, employees, or members.

SEC. 2. Section 17314 of the Financial Code is amended to read:

17314. Fidelity Corporation shall pay a member for loss of trust obligations sustained as a result of embezzlement, theft, or mysterious disappearance or because of checks which have not been paid by the drawee bank drawn by the escrow agent on its trust or escrow account resulting from embezzlement, theft, or mysterious disappearance by an officer, director, trustee, stockholder, managing agent, agent, or employee of the escrow agent.

The liability of Fidelity Corporation to be paid from the fidelity fund shall be as follows:

(a) Up to one hundred fifty thousand dollars ($150,000) per loss to a member, except as authorized pursuant to subdivision (b).

(b) Up to five hundred thousand dollars ($500,000) per loss to a member, if the written consent of the commissioner is first obtained.

Losses in excess of the amounts covered in subdivision (a) or (b) shall be covered by a fidelity bond purchased by the Fidelity Corporation on behalf of its members or, when requested by the commissioner, a fidelity bond purchased by the member. Fidelity Corporation shall furnish a good and sufficient bond indemnifying the member against loss of trust obligations as a result of embezzlement, theft, or mysterious disappearance or because of checks, which have not been paid by the drawee bank, drawn by the escrow agent on its trust or escrow account resulting from embezzlement, theft, or mysterious disappearance by an officer, director, trustee, stockholder, or employee of the escrow agent, in excess of the amounts covered in subdivision (a) or (b). The bond shall be filed with the commissioner for approval pursuant to Section 17203.1.

The minimum amount of the bond shall be 1 percent of the total average trust obligations of all members as reported to the commissioner pursuant to Section 17348. When the amount of the bond is reduced below 1 percent of the total average trust obligations of all members because of a paid claim, Fidelity Corporation shall immediately purchase an additional bond to increase the bond coverage to 1 percent of the total average trust obligations of all members.

At all times, the bond shall equal 1 percent of the total average trust obligations of all members as reported to the commissioner pursuant to Section 17348.

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

In order to facilitate the operations of the Escrow Agents' Fidelity Corporation without delay and thereby protect the public, it is necessary that this act go into immediate effect.

CHAPTER 300

An act relating to the Department of Transportation, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 11, 1986. Filed with Secretary of State July 11, 1986]

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

SECTION 1. The sum of seven million five hundred thousand dollars ($7,500,000) is hereby appropriated from the State Highway Account in the State Transportation Fund to the Department of Transportation in augmentation of the amount appropriated in category (b) of Item 2660-001-042 of Chapter 111 of the Statutes of 1985, the Budget Act of 1985. These funds shall be expended for the payment of tort liability settlements and judgments.

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

In order to meet court-ordered obligations in regard to unanticipated recent tort liability judgments, additional monies must be appropriated to the Department of Transportation during the current fiscal year.

CHAPTER 301

An act to add Sections 66525 and 66530 to the Government Code, to add Division 12.5 (commencing with Section 131000) to, and to add and repeal Division 15 (commencing with Section 142000) of, the Public Utilities Code, to add Section 7252.8 to, and to add and repeal Section 7252.10 of, the Revenue and Taxation Code, and to amend Section 42009 of the Vehicle Code, relating to transportation, and declaring the urgency thereof, to take effect immediately.

[Became law without Governor's signature. Filed with Secretary of State July 14, 1986.]

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

SECTION 1. Section 66525 is added to the Government Code, to read:

66525. The commission shall administer any county transportation expenditure plan which includes a provision that the commission shall implement a retail transactions and use tax pursuant to Division 12.5 (commencing with Section 131000) of the Public Utilities Code.

SEC. 2. Section 66530 is added to the Government Code, to read:

66530. The commission shall continue to actively, on behalf of the entire region, seek to assist in the development of adequate funding sources to develop, construct, and support transportation projects that it determines essential.

SEC. 3. Division 12.5 (commencing with Section 131000) is added to the Public Utilities Code, to read:

DIVISION 12.5. COUNTY TRAFFIC AND TRANSPORTATION FUNDING IN THE NINE-COUNTY SAN FRANCISCO BAY AREA

CHAPTER 1. DEFINITIONS and GENERAL PROVISIONS

131000. This chapter shall be known and may be cited as the Bay Area County Traffic and Transportation Funding Act.

131001. The Legislature finds and declares all of the following:

(a) That, in the nine-county San Francisco Bay area, traffic and transportation improvements are an immediate high priority needed to resolve the bay area's serious traffic congestion and transit mobility problems that threaten the economic viability of the area and adversely impact the quality of life therein.

(b) That, in the nine-county San Francisco Bay area, the Metropolitan Transportation Commission is responsible for regional transportation planning and programming.

(c) That the commission and the counties and cities within the nine-county San Francisco Bay area wish to collectively develop and

implement, on a county-by-county basis, near-term local traffic and transportation projects that responsibly and adequately deal with current and anticipated traffic congestion and transit mobility problems.

(d) That, in order to proceed in a expeditious manner with the development and implementation of those projects, each of the nine counties in the San Francisco Bay area should be provided the opportunity to review and determine whether there is a need for the development and implementation of a county transportation expenditure plan that goes significantly beyond current federal, state, and local funding.

(e) Therefore, it is in the public interest to allow the voters in any county in the nine-county San Francisco Bay area to either create a county transportation authority or to authorize the commission to implement a retail transactions and use tax for the purpose of funding a local transportation expenditure plan showing a need for the proceeds from that tax.

131002. This division does not apply to the County of Santa Clara until November 1, 1995.

131003. "City selection committee" means the committee created pursuant to Section 50270 of the Government Code. For purposes of the City and County of San Francisco, the committee means the Mayor of the City and County of San Francisco.

131004. "Commission" means the Metropolitan Transportation Commission.

131005. "County" includes a city and county, and means any of the nine San Francisco Bay area counties listed in Section 66502 of the Government Code.

131006. "Board of supervisors" means the board of supervisors of any of the nine San Francisco Bay area counties listed in Section 66502 of the Government Code.

131007. "County transportation authority" means any authority created pursuant to this division in any of the nine San Francisco Bay area counties listed in Section 66502 of the Government Code.

131008. "Department" means the Department of Transportation.

131009. "Local governments" means the cities within each of the nine San Francisco Bay area counties listed in Section 66502 of the Government Code.

131010. "Sponsoring agency" means a governmental agency existing at the time of enactment of this division, which has transportation responsibilities in the county in which a retail transactions and use tax ordinance has been approved pursuant to this division.

CHAPTER 2. COUNTY TRANSPORTATION EXPENDITURE PLAN

131050. Any board of supervisors which believes its county has essential traffic and transportation projects for which current

estimates of federal, state, and local funds may not be adequately available, may establish, on or after January 1, 1986, in conjunction with the city selection committee a process to develop a countywide consensus on the need for these projects and on a proposed county transportation expenditure plan to adequately fund the construction, maintenance, repair, or operation of these projects. The process may include the establishment of a committee or committees as the board of supervisors and the city selection committee deem necessary. The process shall provide for the participation of representatives of cities and the county, representatives of transit agencies serving the county, the department, the commission, and other agencies determined to be necessary by the board of supervisors and the city selection committee. Meetings of any committee established are subject to the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code). The board of supervisors and the city selection committee may request the commission to provide some staffing assistance. The board of supervisors and the city selection committee shall establish, by resolution, an expected schedule and the process to be used for the completion of the tasks set forth in this chapter.

131051. The county transportation expenditure plan shall consist of all of the following:

(a) (1) A list of essential traffic and transportation projects in the order of priority within the county, and their respective sponsoring agencies, which current estimates of federal, state, and local funds indicate are insufficient to provide for their completion. The types of projects may include, but are not limited to, capital, maintenance, repair, or operation projects. However, no project shall be included that does not have a sponsoring agency. Estimates of federal and state funding shall be based on estimates provided by the staff of the commission. The sponsoring agency shall provide cost estimates for its projects. An agency which administers a retail transactions and use tax ordinance adopted pursuant to this division shall not be a public transit operator and shall not be a sponsoring agency. In addition, any state highway project is subject to approval by the department. Any project estimated to have adequate funding shall not be included on the list.

(2) Notwithstanding paragraph (1), funds generated from this division may be used to advance construction to an earlier date for projects contained in the state transportation improvement plan with the concurrence of the county transportation authority, the commission, the California Transportation Commission, and the department.

(b) An estimate of the costs of each of the projects listed in subdivision (a).

(c) An estimate of the current sources of funds available to assist in the completion of each of the projects listed in subdivision (a).

(d) An estimate of the additional amounts of funds to make up the difference between figures in subdivisions (b) and (c) for each of the

projects listed in subdivision (a).

(e) A recommendation on whether the adoption of a retail transactions and use tax ordinance would be necessary to fund the projects listed in subdivision (a). If a recommendation is made for the adoption of that ordinance, it shall include a recommendation as to whether the tax shall be permanent or for a specific term. The recommendation shall also address the issue of whether a bonding authority should be sought and on the limitations of that authority.

(f) A recommendation on whether the board of supervisors should request the voters to authorize the creation of a county transportation authority pursuant to this division to impose and administer the proceeds of the tax ordinance recommended in subdivision (e), or whether the board of supervisors should request the commission to impose and administer the proceeds of the tax. The ordinance shall be subject to the approval of a majority of the electors voting on the measure to approve the imposition of the tax.

(g) If the recommendation is for the board of supervisors to ask the voters to request the commission to impose the tax, a recommendation shall be made for the establishment and membership of an advisory committee to advise the commission on the administration of the recommended county transportation expenditure plan.

(h) If the recommendation is for the creation of a county transportation authority, the recommendation shall also include the membership of the authority, specifying the number to represent local governments and the number to represent the county.

(i) A recommendation as to whether to seek the support of adjacent counties for projects that have intercounty impact by requesting the board of supervisors and the city selection committee of each of the adjacent counties to develop a county transportation expenditure plan for their respective county. Adjacent counties shall endeavor to work cooperatively together to develop mutual traffic and transportation projects identified in their respective county transportation expenditure plan.

131052. The recommended county transportation expenditure plan shall be subject to a public hearing and then to a review by the commission, before submittal to the board of supervisors and local governments for adoption.

131053. The commission shall, within 45 days after receipt of a draft county transportation expenditure plan forwarded pursuant to Section 131052, approve the draft plan unless one or more of the following findings is made:

(a) There would be a significant negative regional impact as a result of the proposed projects.

(b) There are insufficient funds available to implement the proposed projects.

(c) Conflicts exist within the county transportation expenditure plan.

(d) The estimates of proceeds from any proposed retail

transactions and use tax ordinance are not reasonable.

131054. If the commission rejects a draft county transportation expenditure plan because the draft plan fails to meet the requirements set forth in Section 131053, the commission shall return the draft plan to the county for amendments before resubmittal to the commission for review.

131055. If the commission approves a draft county transportation expenditure plan, the commission shall return the draft plan to the board of supervisors for its approval and to local governments for their approval. A majority of the board of supervisors, and a majority of the local governments representing a majority of the population of the county in the incorporated areas by a majority vote of their respective councils, are required for the adoption of the draft county expenditure plan. The adopted county transportation expenditure plan shall be published by the county within 30 days after its adoption.

131056. (a) Not less than one year prior to the date of the last general election in which a retail transactions and use tax ordinance is in effect pursuant to this division, the commission or the county transportation authority administering the adopted county expenditure transportation plan shall prepare a new draft county transportation expenditure plan for approval pursuant to this chapter.

(b) Upon approval of the draft plan, the board of supervisors shall submit, at the next primary or general election, the question of whether the ordinance shall remain in effect to fund the approved plan.

131057. The commission and any county transportation authority, in administering the adopted county transportation expenditure plan and imposing the retail transactions and use tax, shall have only those powers necessary for those purposes.

CHAPTER 3. RETAIL TRANSACTIONS AND USE TAX

131100. (a) The Legislature, by the enactment of this chapter intends a county transportation authority or the commission, pursuant to a county transportation expenditure plan adopted pursuant to Section 131055, to use any additional funds provided by this chapter to supplement existing local revenues being used for public transportation purposes listed in the plan. The Legislature further intends that the funds provided pursuant to this chapter shall not replace funds previously provided by property tax revenues for public transportation purposes. The nine-county San Francisco Bay area is further encouraged to maintain its existing commitment of local funds for public transportation purposes.

(b) Any tax revenue generated pursuant to this chapter shall be expended in the county of origin. However, the tax revenues may be exchanged for federal or state funds available to a county or local government for transportation purposes if the exchange will benefit

the county of origin.

(c) (1) In order to receive funds from the Counties of Alameda and Contra Costa and the City and County of San Francisco pursuant to this chapter, the San Francisco Bay Area Rapid Transit District shall agree to match from federal, state, or other funds available to the district, at least as much as it receives from the additional funds provided by this chapter from those counties.

(2) The funds the district received pursuant to this chapter, and its matching funds therefor, shall be used only for capital expenditures.

131101. All allocations of revenues derived from the adoption of a retail transactions and use tax ordinance in a county shall be consistent with the priorities established by its county transportation expenditure plan.

131102. (a) Except as provided in subdivision (b), a retail transactions and use tax ordinance for a tax of either one-half of 1 percent or 1 percent applicable in the incorporated and unincorporated territory of a county may be imposed by a county transportation authority or the commission in the manner prescribed in Section 131103 and Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code, if a majority of the electors voting on the measure vote to approve its imposition at an election which shall be called for this purpose by the board of supervisors within one year after the adoption of a county transportation expenditure plan.

(b) The rate of tax imposed pursuant to subdivision (a) together with the rate of tax imposed pursuant to the Transactions and Use Tax Law (Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code) by any entity, as authorized by any other provision of law, shall not exceed 1 percent in any county.

(c) The ordinance shall take effect at the close of the polls on the day of election at which the proposition, as set forth in Section 131108, is adopted. The ordinance shall specify the period, as determined by the adopted county transportation expenditure plan during which the tax will be imposed. The tax may be terminated earlier if the projects in the adopted plan are completed and any bonds outstanding issued pursuant to this division are redeemed.

131103. The county, in the retail transactions and use tax ordinance, shall state the nature of the tax to be imposed and shall specify the purposes for which the revenues derived from the tax will be used.

131104. (a) The county shall conduct the election called by the board of supervisors pursuant to Section 131102, and the county shall bear the cost in conducting the election, but shall be reimbursed from the proceeds of the tax by the agency imposing the tax if the tax is approved pursuant to Section 131102.

(b) The election shall be called and conducted in the same manner as provided by law for the conduct of elections by a county.

131105. (a) Any tax ordinance adopted pursuant to this chapter

shall be operative on the first day of the first calendar quarter commencing more than 120 days after adoption of the ordinance.

(b) Prior to the operative date of the ordinance, a county transportation authority or the commission, as the case may be, shall contract with the State Board of Equalization to perform all functions incident to the administration and operation of the ordinance.

131106. The net revenues derived from the taxes imposed pursuant to this chapter, after deduction for expenses pursuant to Section 131107, shall be allocated by the agency imposing the tax for the transportation purposes as set forth in the adopted county transportation expenditure plan.

131107. In an adopted county transportation expenditure plan that provides for the imposition of a retail transactions and use tax, not more than 1 percent of the annual net amount of revenues raised by the tax may be used to fund the salaries and benefits of the staff of the commission or the county transportation authority, as the case may be, in administering the plan and the retail transactions and use tax ordinance.

All other funds, after reimbursement to the county for the cost of conducting the election as provided for in Section 131104, shall be used for the planning, design, construction, and operation of the traffic and transportation projects as set forth in the adopted plan, and shall be allocated according to eligible sponsoring agencies.

131108. (a) The board of supervisors, as part of the ballot proposition to approve the imposition of a retail transactions and use tax, may seek authorization to issue bonds as may be provided for in the adopted county transportation expenditure plan payable solely from the proceeds of the tax.

(b) The maximum bonded indebtedness which may be authorized shall be an amount equal to the sum of the principal of, and interest on, the bonds, but not to exceed the estimated proceeds of the tax, as determined by the plan.

(c) The proposition shall set forth the actual percent of the tax.

(d) The proposition shall set forth the duration of the tax if the plan specifies a time limit.

(e) The proposition shall set forth the amount of bonds, if any, payable from the proceeds of the tax.

(f) The proposition shall set forth either a county transportation authority or the commission as the agency imposing the tax.

(g) For an entity formed after 1978 which does not have an appropriations limit, the proposition shall include a limit pursuant to Article XIII B of the Constitution.

(h) The sample ballot to be mailed to the voters, pursuant to Section 10010 of the Elections Code, shall be the full proposition, as set forth in the ordinance calling the election, and the voter information handbook shall include the entire adopted county transportation expenditure plan.

131109. (a) The bonds authorized by the voters concurrently

with the approval of the retail transactions and use tax may be issued at any time by the agency imposing the tax and shall be payable solely from the proceeds of the tax. The bonds shall be referred to as "limited tax bonds."

(b) The pledge of the tax to the limited tax bonds authorized under this chapter shall have priority over the use of any of the tax for "pay-as-you-go" financing, except to the extent that that priority is expressly restricted in the resolution authorizing the issuance of the bonds.

131110. Limited tax bonds shall be issued pursuant to a resolution adopted at any time of a two-thirds vote by the agency imposing the retail transactions and use tax. Each resolution shall provide for the issuance of bonds in the amounts as may be necessary, until the full amount of bonds authorized have been issued. The full amount of bonds may be divided into two or more series and different dates of payment fixed for the bonds of each series. A bond need not mature on its anniversary date.

131111. (a) A resolution authorizing the issuance of bonds shall state all of the following:

(1) The purposes for which the proposed debt is to be incurred, which may include all costs and estimated costs incidental to, or connected with, the accomplishment of those purposes, including, without limitation, engineering, inspection, legal, fiscal agents, financial consultant and other fees, bond and other reserve funds, working capital, bond interest estimated to accrue during the construction period and for a period not to exceed three years thereafter, and expenses of all proceedings for the authorization, issuance, and sale of the bonds.

(2) The estimated cost of accomplishing those purposes.

(3) The amount of the principal of the indebtedness.

(4) The maximum term the bonds proposed to be issued shall run before maturity, which shall not be beyond the date of termination of the imposition of the retail transactions and use tax.

(5) The maximum rate of interest to be paid, which shall not exceed the maximum allowable by law.

(6) The denomination or denominations of the bonds, which shall not be less than five thousand dollars ($5,000).

(7) The form of the bonds, including, without limitation, registered bonds and coupon bonds, to the extent permitted by federal law, and the form of any coupons to be attached thereto, the registration, conversion, and exchange privileges, if any, pertaining thereto, and the time when all of, or any part of, the principal becomes due and payable.

(b) The resolution may also contain any other matters authorized by this chapter or any other law.

131112. The bonds shall bear interest at a rate or rates not exceeding the maximum allowable by law, payable semiannually, except that the first interest payable on the bonds, or any series thereof, may be for any period not exceeding one year, as

determined by the agency imposing the retail transactions and use tax.

131113. In the resolution authorizing the issuance of the bonds, the agency imposing the retail transactions and use tax may also provide for the call and redemption of the bonds prior to maturity at the times and prices and upon other terms as specified. However, no bond is subject to call or redemption prior to maturity, unless it contains a recital to that effect or unless a statement to that effect is printed.

131114. The principal of, and interest on, the bonds shall be payable in lawful money of the United States at the office of the treasurer of the agency imposing the retail transactions and use tax, or at other places as may be designated, or at both the office and other places at the option of the holders of the bonds.

131115. The bonds, or each series thereof, shall be dated and numbered consecutively and shall be signed by the chairperson or vice chairperson of the agency imposing the retail transactions and use tax and the auditor-controller of the agency, and the official seal, if any, of the agency shall be attached.

The interest coupons of the bonds shall be signed by the auditor-controller of the agency. All of the signatures and seal may be printed, lithographed, or mechanically reproduced, except that one of the signatures shall be manually affixed.

If any officer whose signature appears on the bonds or coupons ceases to be that officer before the delivery of the bonds, the officer's signature is as effective as if the officer had remained in office.

131116. The bonds may be sold as the agency imposing the retail transactions and use tax determines by resolution, and the bonds may be sold at a price below par, whether by negotiated or public sale.

131117. Delivery of any bonds may be made at any place either inside or outside the state, and the purchase price may be received in cash or bank credits.

131118. All accrued interest and premiums received on the sale of the bonds shall be placed in the fund to be used for the payment of the principal of, and interest on, the bonds, and the remainder of the proceeds of the bonds shall be placed in the treasury of the agency imposing the retail transactions and use tax and applied to secure the bonds or for the purposes for which the debt was incurred. However, when the purposes have been accomplished, any money remaining shall be either (a) transferred to the fund to be used for the payment of principal of, and interest on, the bonds or (b) placed in a fund to be used for the purchase of the outstanding bonds in the open market at prices and in the manner, either at public or private sale or otherwise, as determined by the agency. Bonds so purchased shall be canceled immediately.

131119. (a) The agency imposing the retail transactions and use tax may provide for the issuance, sale, or exchange of refunding bonds to redeem or retire any bonds issued by the agency upon the terms, at the times and in the manner which it determines.

(b) Refunding bonds may be issued in a principal amount sufficient to pay all, or any part of, the principal of the outstanding bonds, the premiums, if any, due upon call and redemption thereof prior to maturity, all expenses of the refunding, and either of the following:

(1) The interest upon the refunding bonds from the date of sale thereof to the date of payment of the bonds to be refunded out of the proceeds of the sale of the refunding bonds or to the date upon which the bonds to be refunded will be paid pursuant to call or agreement with the holders of the bonds.

(2) The interest upon the bonds to be refunded from the date of sale of the refunding bonds to the date of payment of the bonds to be refunded or to the date upon which the bonds to be refunded will be paid pursuant to call or agreement with the holder of the bonds.

(c) The provisions of this chapter for the issuance and sale of bonds apply to the issuance and sale of refunding bonds.

131120. (a) The agency imposing the retail transactions and use tax may borrow money in anticipation of the sale of bonds which have been authorized pursuant to this chapter, but which have not been sold or delivered, and may issue negotiable bond anticipation notes therefor and may renew the bond anticipation notes from time to time. However, the maximum maturity of any bond anticipation notes, including the renewals thereof, shall not exceed five years from the date of delivery of the original bond anticipation notes.

(b) The bond anticipation notes, and the interest thereon, may be paid from any money of the agency available therefor, including the revenues from the tax. If not previously otherwise paid, the bond anticipation notes, or any portion thereof, or the interest thereon, shall be paid from the proceeds of the next sale of the bonds of the agency in anticipation of which the notes were issued.

(c) The bond anticipation notes shall not be issued in any amount in excess of the aggregate amount of the bonds which the agency has been authorized to issue, less the amount of any bonds of the authorized issue previously sold, and also less the amount of other bond anticipation notes therefor issued and then outstanding. The bond anticipation notes shall be issued and sold in the same manner as the bonds.

(d) The bond anticipation notes and the resolutions authorizing them may contain any provisions, conditions, or limitations which a resolution of the agency may contain.

131121. Any bonds issued under this chapter are legal investment for all trust funds; for the funds of insurance companies, commercial and savings banks, and trust companies; and for state school funds; and whenever any money or funds may, by any law now or hereafter enacted, be invested in bonds of cities, counties, school districts, or other districts within the state, that money or funds may be invested in the bonds issued under this chapter, and whenever bonds of cities, counties, school districts, or other districts within the state may, by any law now or hereafter enacted, be used as security for the

performance of any act or the deposit of any public money, the bonds issued under this chapter may be so used. The provisions of this chapter are in addition to all other laws relating to legal investments and shall be controlling as the latest expression of the Legislature with respect thereto.

131122. Any action or proceedings wherein the validity of the adoption of the retail transactions and use tax ordinance provided for in this chapter or the issuance of any bonds thereunder or any of the proceedings in relation thereto is contested, questioned, or denied, shall be commenced within six months from the date of the election at which the ordinance is approved; otherwise, the bonds and all proceedings in relation thereto, including the adoption and approval of the ordinance, shall be held to be valid and in every respect legal and incontestable.

CHAPTER 4. METROPOLITAN TRANSPORTATION COMMISSION ADMINISTRATION OF ADOPTED COUNTY TRANSPORTATION EXPENDITURE PLAN

131200. Upon approval of a retail transactions and use tax at an election conducted pursuant to Chapter 3 (commencing with Section 131100) in a county with an adopted county transportation expenditure plan that provides that the commission shall administer the tax, the commission shall do all of the following:

(a) Appoint an advisory committee, as provided in the plan, whose members shall be compensated at the rate of fifty dollars ($50) for attending meetings of the advisory committee, but not to exceed one hundred dollars ($100) in any month, and necessary traveling and personal expenses incurred in the performance of his or her duties as authorized by the commission. Members of the staff of the commission, as determined by the commission, shall be available to assist the advisory committee in its work.

(b) Do any and all things necessary to carry out purposes of this chapter.

131201. The commission, with the advice of the advisory committee, shall determine the allocation of the net revenues derived from the imposition of the retail transactions and use tax in conformance with the adopted county transportation expenditure plan.

131202. The commission shall prepare and adopt an annual report by January 1 of each year on the progress to achieve the objectives of completion of the projects in each county transportation expenditure plan that is administered by the commission.

131203. Any amendment to a county transportation expenditure plan proposed by the commission is subject to approval by the advisory committee. An amendment which adds or deletes a project, or is of major significance, shall be submitted for approval in the same manner the adopted plan was approved pursuant to Chapter 2

(commencing with Section 131050). Amendments may provide for the use of additional federal, state, and local funds to account for unexpected revenue fluctuations or to take into consideration unforeseen circumstances. Any amendment shall take into account that all appropriate actions shall be taken to give highest priority to the projects in the initial plan, and any amendments shall not delay or delete any project in the initial plan without the approval of the project sponsor.

CHAPTER 5. COUNTY TRANSPORTATION AUTHORITY

Article 1. Creation of a County Transportation Authority

131240. Upon approval of a retail transactions and use tax at an election conducted pursuant to Chapter 3 (commencing with Section 131100) in a county with an adopted county transportation expenditure plan that includes a provision for the creation of a county transportation authority, the authority shall be created at that election.

131241. (a) The county transportation authority shall consist of the members who are elected officials as specified in the county transportation expenditure plan and shall be appointed by each constituent local government within 45 days after the authority is created.

(b) At the first meeting of the county transportation authority, one-half of the members, and the odd-numbered member if the membership of the county transportation authority is odd-numbered, shall be selected by lot to serve terms consisting of the remaining months of the current calendar year, if any, plus two years, and the remaining members shall be selected by lot to serve a term consisting of the remaining months of the current calendar year, if any, plus three-years. Thereafter, appointments for all members shall be for two-year terms, beginning on January 1.

(c) If any member ceases to be an elected official, that member shall cease to be a member of the county transportation authority, and another member shall be appointed for the remainder of the term by the constituent local government that that member represents.

131242. The Secretary of the Business, Transportation and Housing Agency shall convene the initial meeting of the county transportation authority at the county seat, within 90 days after the authority is created.

Article 2. Administration

131260. A county transportation authority at its first meeting, and thereafter, after the first complete calendar year, annually at the first meeting in January, shall elect a chairperson who shall preside at all meetings, and a vice chairperson who shall preside in his or her

absence. In the event of their absence or inability to act, the members present, by an order entered in the minutes, shall select one of their members to act as chairperson pro tempore, who, while so acting, shall have the authority of the chairperson.

131262. The majority of the members of a county transportation authority constitutes a quorum for the transaction of business, and all official acts of the authority require the affirmative vote of a majority of the members of the authority.

131263. The acts of a county transportation authority shall be expressed by motion, resolution, or ordinance.

131264. All meetings of a county transportation authority shall be conducted in the manner prescribed by the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code).

131265. A county transportation authority shall do all of the following:

(a) Adopt an annual budget and fix the compensation of its officers and employees.

(b) Adopt an administrative code, by ordinance, which prescribes the powers and duties of its officers, the method of appointment of its employees, and its methods, procedures, and systems of operation and management.

(c) Cause a post audit of its financial transactions and records at least annually by a certified public accountant.

(d) Appoint an advisory committee, which membership reflects a board spectrum of interests and geographic areas of the county. Members of the staff of the county transportation authority, as determined by the county transportation authority, shall be available to aid the advisory committee in its work.

(e) Appoint other advisory committees that it deems necessary.

(f) Do any and all things necessary to carry out the purposes of this chapter.

131266. Notice of the time and place of the public hearing for the adoption of the annual budget of a county transportation authority shall be published pursuant to Section 6061 of the Government Code, and shall be published not later than the 15th day prior to the date of the hearing.

The proposed annual budget shall be available for public inspection at least 15 days prior to the hearing.

131267. A county transportation authority may appoint officers that it deems necessary to carry out its duties and functions.

131268. Each member of a county transportation authority shall be compensated at the rate of fifty dollars ($50) for each day attending the business of the authority, but not to exceed one hundred dollars ($100) in any month, and necessary traveling and personal expenses incurred in the performance of his or her duties as authorized by the county transportation authority.

131269. A county transportation authority may enter into a contract with the Board of Administration of the Public Employees'

Retirement System, and the board may enter into the contract to include all of the employees of the county transportation authority in that retirement system. The employees may be entitled to the same health benefits as are state employees pursuant to Part 5 (commencing with Section 22751) of Division 5 of Title 2 of the Government Code or any other retirement system that the authority determines is in the best interest of its employees.

Article 3. Powers and Functions

131280. A county transportation authority shall close its affairs and be terminated within 180 days after the completion of the projects listed in the county transportation expenditure plan and upon retirement of all the bonds authorized to be issued pursuant to this division.

131281. A county transportation authority may sue and be sued, except as otherwise provided by law, in all actions and proceedings, and in all courts and tribunals of competent jurisdiction.

131282. All claims for money or damages against a county transportation authority are governed by Division 3.6 (commencing with Section 810) of Title 1 of the Government Code except as provided therein, or by other statutes or regulations expressly applicable thereto.

131283. A county transportation authority may make contracts and enter into stipulations of any nature to indemnify and hold harmless, to employ labor, and to do all acts necessary and convenient for the full exercise of the powers granted in this chapter.

131284. A county transportation authority may contract with any department or agency of the United States, with any public agency, including but not limited to, the department, the commission, or any transit district, county, or city, or with any person upon terms and conditions that the county transportation authority finds is in its best interest.

131285. Contracts for the purchase of supplies, equipment, and materials in excess of twenty-five thousand dollars ($25,000) shall be awarded to the lowest responsible bidder after competitive bidding, except in an emergency declared by the vote of two-thirds of the voting membership of the county transportation authority.

131286. If, after rejecting bids received under Section 131285, the county transportation authority determines and declares by a two-thirds vote of all of its voting members that, in its opinion, the supplies, equipment, or materials may be purchased at a lower price in the open market, the authority may proceed to purchase these supplies, equipment, or materials in the open market without further observance of the provisions regarding contracts, bids, or advertisement.

Article 4. Administration of Adopted County Transportation Plan

131300. The county transportation authority shall administer the county transportation expenditure plan adopted pursuant to Section 131055.

131301. The county transportation authority shall determine the use of the net revenues derived from the imposition of the retail transactions and use tax in conformance with the priorities established in the adopted county transportation expenditure plan.

131302. A county transportation authority shall consult with, and coordinate its actions with, other transportation funding agencies when allocating the net revenues derived from the retail transactions and use tax to the sponsoring agencies of the projects listed in the adopted county transportation expenditure plan.

131303. The county transportation authority shall prepare and adopt an annual report by January 1 of each year on the progress to achieve the objectives of completion of the projects in the adopted county transportation expenditure plan.

131304. Any amendment to a county transportation expenditure plan proposed by the county transportation authority which adds or deletes a project, or is of major significance, shall be submitted for approval in the same manner as the adopted plan was approved pursuant to Chapter 2 (commencing with Section 131050). Amendments may provide for the use of additional federal, state, and local funds to account for expected revenue fluctuations, or to take into consideration unforeseen circumstances. Any amendment shall take into account that all appropriate actions shall be taken to give highest priority to the projects in the initial plan and any amendments shall not delay or delete any project in the initial plan without the approval of the project sponsor.

SEC. 4. Division 15 (commencing with Section 142000) is added to the Public Utilities Code, to read:

DIVISION 15. FRESNO COUNTY TRANSPORTATION AUTHORITY

CHAPTER 1. GENERAL PROVISIONS

142000. This division shall be known and may be cited as the Fresno County Transportation Improvement Act.

142001. The Legislature hereby finds and declares all of the following:

(a) In Fresno County, highway improvements and local transportation improvements and services are an immediate high priority needed to resolve the county's transportation problems that threaten the economic viability and development potential of the county and adversely impact the quality of life therein.

(b) In order to deal in an expeditious manner with current and future transportation problems, the county needs to develop and

implement a local funding program that goes significantly beyond current federal and state funding which is inadequate to resolve these problems.

(c) It is in the public interest to allow the voters of Fresno County to create the Fresno County Transportation Authority so that local transportation decisions can be implemented in a timely manner to provide highway capital improvements and to meet local transportation needs.

142002. It is the intent of the Legislature that funds generated pursuant to this division not replace property tax revenues which would otherwise be expended for roads and transportation purposes.

142003. This division shall be liberally construed in order to effectuate its purposes. No inadvertent error, irregularity, informality, or the inadvertent neglect or omission of any officer, in any procedure taken under this division, other than fraud, shall void or invalidate that proceeding or any levy imposed to finance highway improvements or local transportation needs.

142004. "Authority" means the Fresno County Transportation Authority created pursuant to this division in the County of Fresno.

142005. "Board of supervisors" means the Fresno County Board of Supervisors.

142006. "County" means the County of Fresno.

142007. "Fresno-Clovis Metropolitan Area" means that area within the adopted spheres of influence of the Cities of Fresno and Clovis, as approved and amended by the local agency formation commission.

142008. "Transportation planning agency" means the Council of Fresno County Governments or any other agency which may be designated by the Governor as responsible for regional transportation planning within the county to comply with federal and state requirements.

142009. If the electors do no approve the imposition of the one-half of 1 percent retail transactions and use tax, this division is repealed as of the date that the county certifies the election results to the Secretary of State.

142010. The authority is terminated two years from the last day on which the transactions and use tax authorized by this division is collected and as of that date this division is repealed.

CHAPTER 2. CREATION OF THE AUTHORITY

142050. The Fresno County Transportation Authority is hereby created in the county.

142051. The authority shall consist of seven members selected as follows:

(a) Two members of the board of supervisors appointed by the board.

(b) Two members representing the City of Fresno, consisting of the mayor thereof and a member of the city council of that city

appointed by the city council.

(c) One member representing the City of Clovis appointed by city council of that city.

(d) One member representing the other cities within the county appointed by a committee comprised of the mayors of each of those cities.

(e) One member of the public at large selected by the other members of the authority.

142052. (a) Except as provided in subdivision (b), and except for the Mayor of the City of Fresno, the members of the authority shall serve for a term of two years.

(b) At the first meeting of the authority convened pursuant to Section 142110, three members shall be selected by lot to serve three-year terms, and the other three shall serve two-year terms.

(c) If any member other than the public member ceases to be an elected official, that member shall cease to be a member of the authority, and another member shall be appointed for the remainder of the term pursuant to Section 142051.

CHAPTER 3. ADMINISTRATION

142100. The authority, at its first meeting, and thereafter annually at the first meeting in January, shall elect a chairperson who shall preside at all meetings, and a vice chairperson who shall preside in his or her absence. In the event of their absence or inability to act, the members present, by an order entered into the minutes, shall select one of their members to act as chairperson pro tempore, who, while so acting, shall have all the authority of the chairperson.

142101. The authority shall adopt rules for its proceedings consistent with the law of the state.

142102. A majority of the members of the authority constitutes a quorum for the transaction of business, and all official acts of the authority require the affirmative vote of the majority of the members of the authority.

142103. The acts of the authority shall be expressed by motion, resolution, or ordinance.

142104. All meetings of the authority shall be conducted pursuant to Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code.

142105. The authority shall do all the following:

(a) Adopt an annual budget.

(b) Adopt an administrative code, by ordinance, which prescribes the powers and duties of the authority officers, the method of appointment of the authority employees, and methods, procedures, and systems of operations and management of the authority.

(c) Cause a postaudit of the financial transactions and records of the authority to be made at least annually by a certified public accountant.

(d) Appoint a policy advisory committee composed of one

representative of each city in the county and one representative of the county. Each representative on the committee shall be an elected official. If a representative ceases to be an elected official, that representative shall cease to be a member of the committee, and another representative from that city or county, as the case may be, shall be appointed. No person shall serve on the authority and on the committee at the same time.

(e) Do any and all things necessary to carry out the purposes of this division.

142106. The authority may hire an independent staff of its own or contract with any department or agency of the United States or with any public agency to implement this division.

142107. The authority shall fix the compensation of its officers and employees.

142108. (a) Notice of the time and place of a public hearing on the adoption of the annual budget shall be published pursuant to Section 6061 of the Government Code not later than the 15th day prior to the day of the hearing.

(b) The proposed annual budget shall be available for public inspection at least 15 days prior to the hearing.

142109. (a) The authority shall rely, to the extent possible, on existing state, regional, and local transportation planning and programming data and expertise, rather than on a large duplicative staff and set of plans.

(b) The authority shall not expend more than 1 percent of the funds generated pursuant to this division in any year for salary and benefits of its staff.

142110. The initial meeting of the authority shall convene within 90 days of the approval of the transactions and use tax at the election conducted pursuant to Chapter 6 (commencing with Section 142250). The Secretary of the Business, Transportation and Housing Agency shall convene the initial meeting in the City of Fresno.

CHAPTER 4. POWERS AND FUNCTIONS

142150. The authority may adopt a seal and alter it at its pleasure.

142151. The authority may sue and be sued, except as otherwise provided by law, in all actions and proceedings, in all courts and tribunals of competent jurisdiction.

142152. All claims for money or damages against the authority are governed by Division 3.6 (commencing with Section 810) of Title 1 of the Government Code, except as provided therein, or by other statutes or regulations expressly applicable thereto.

142153. The authority may make contracts and enter into stipulations of any nature whatsoever, either in connection with eminent domain proceedings or otherwise, including, but not limited to, contracts and stipulations to indemnify and hold harmless, to employ labor, and to do all acts necessary and convenient for the full exercise of the powers granted in this division.

142154. The authority may contract with any department or agency of the United States, with any public agency, including, but not limited to, the Department of Transportation, the Council of Fresno County Governments, or any county, city, or district, or with any person upon any terms and conditions that the authority finds in its best interest.

142155. (a) Contracts for the purchase of services, supplies, equipment, and materials in excess of ten thousand dollars ($10,000) shall be awarded to the lowest responsible bidder after competitive bidding, except in an emergency declared by the authority or by an executive committee to which the authority has delegated responsibility to make that declaration.

(b) If, after rejecting bids received under subdivision (a), the authority determines and declares that, in its opinion, the services, supplies, equipment, or materials may be purchased at a lower price on the open market, the authority may proceed to purchase these services, supplies, equipment, or materials in the open market without further observance of the provisions regarding contracts, bids, or advertisements.

CHAPTER 5. TRANSPORTATION COORDINATION

142200. The authority shall consult with, and coordinate its actions to secure funding for the completion and improvement of the priority regional highways with the cities in the county, the board of supervisors, the Council of Fresno County Governments, and the Department of Transportation for the purpose of integrating its planned highway improvements with the highway and other transportation improvement plans and operations of other transportation agencies impacting the county.

142201. The authority shall prepare and adopt an annual report each year on progress made to achieve the objective of improving transportation conditions related to priority highway operations and local transportation needs.

CHAPTER 6. TRANSACTIONS AND USE TAXES

142250. (a) A retail transactions and use tax ordinance, applicable in the incorporated and unincorporated territory of the county may be imposed by the authority in accordance with Section 142262 of this code and Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code, if a majority of the electors voting on the measure vote to approve the imposition of the tax at an election which shall be called for that purpose by resolution of the board of supervisors.

(b) The election shall be held on the next established election date for a general election after this division takes effect.

(c) The tax ordinance shall become operative as set forth in Section 142253. The tax ordinance shall specify the period, not to

exceed 20 years, during which the tax is to be imposed. The tax may be terminated earlier if the conditions of Sections 142255, 142256, 142257, and 142260 have been met.

142251. The authority, in the transactions and use tax ordinance, shall state the nature of the tax to be imposed, shall provide the tax rate or rates or the maximum tax rate or rates, shall specify the purposes for which the revenue derived from the tax will be used, and may set a term, not to exceed 20 years, during which the tax may be imposed.

142252. (a) The county shall conduct an election called by the board of supervisors to implement this chapter pursuant to Section 142250, and the authority shall reimburse the county for the county's costs in conducting the election.

(b) The election shall be called and conducted in the same manner as provided by law for the conduct of elections by a county.

142253. Any retail transactions and use tax ordinance adopted pursuant to this chapter shall be operative on the first day of the first calendar quarter commencing more than 120 days after adoption of the ordinance.

142254. The revenues from the retail transactions and use taxes imposed pursuant to this chapter may be allocated by the authority for the administration of this division and for transportation improvement purposes.

Not more than 75 percent of the proceeds of the tax shall be allocated for highway capital improvements, including administration of this division, legal actions related thereto, planning, environmental reviews, design, construction, and repair. These revenues may also be used for improvements to the state highway system in the manner otherwise provided by law.

142255. Of the funds allocated for highway capital improvements pursuant to Section 142254, not more than 70 percent thereof shall be allocated for improvements within the Fresno-Clovis Metropolitan Area, which may include, but are not limited to, the following highway projects:

(a) Construction of freeway overcrossings, grade separations, and operational improvements necessary for effective connection of the designated arterial street system in Fresno with State Highway Route 99 and to avoid excessive traffic delays.

(b) Widening the Route 99 freeway from Ashlan Avenue northwest to Madera County.

(c) Construction of a freeway or expressway on the designated State Highway Route 41 alignment from Clayton Avenue south of Fresno to connect with existing Route 41 freeway and Route 99 freeway.

(d) Construction of a freeway or expressway on the designated Route 41 alignment extending from Audobon Drive north across the San Joaquin River in concert with any project which may be approved by the California Transportation Commission on that alignment north to Madera County.

(e) Construction of uncompleted freeway or expressway segments on the designated State Highway Route 180 alignment from either Hughes Avenue and Whitesbridge Road eastward to connect with the existing Route 99 freeway; from the existing Route 99 freeway eastward to connect with existing Route 180 freeway at Blackstone/Abbey Streets couplet, including additional improvements eastward to the existing Route 180 and Route 41 freeway interchange; and from the existing Route 180 and Route 41 freeway interchange; and from existing Route 41 freeway eastward to Highland Avenue.

142256. Of the funds allocated for highway capital improvements pursuant to Section 142254, not less than 30 percent of the funds shall be allocated for improvements within the rest of the county, which may include, but are not limited to, the following highway projects:

(a) Rehabilitation, reconstruction, and operational and safety improvements on conventional state highway segments which are not planned as freeways or expressways on alignments separate from existing routes. Eligible state highway routes include all of the following:

(1) Route 33 from Merced County to Kings County.

(2) Route 145 from Route 5 to Madera County.

(3) Route 168 from Shaver Lake to Huntington Lake.

(4) Route 180 from Route 33 near Mendota eastward to Hughes Avenue near Fresno.

(5) Route 198 from Kings County to Monterey County.

(6) Route 245 from Tulare County to Route 180.

(7) Route 269 from Route 145 to Kings County.

(b) Construction of an expressway on the designated State Highway Route 41 alignment from Elkhorn Avenue north to Clayton Avenue.

(c) Widening State Highway Route 99 freeway from Tulare County north to Floral Avenue and from Manning Avenue north to Clovis Avenue.

(d) Construction of freeway or expressway segments on the designated State Highway Route 168 alignment from Temperance Avenue to existing Route 168 freeway near Lodge Road and from existing Route 168 freeway near Pine Ridge to Shaver Lake.

(e) Construction of an expressway on the designated State Highway Route 180 alignment from Highland Avenue eastward to State Highway Route 63 near Orange Cove.

142257. (a) Not less than 25 percent of the proceeds of the retail transactions and use tax shall be allocated to each city and the county for local transportation purposes determined to be priority projects by local governments to which funds are allocated. The distribution of these funds shall be based upon a formula allocation in which 25 percent of the funds are allocated on the basis of proportionate total street miles and 75 percent of the funds are allocated on the basis of proportionate population using the latest estimate of population.

For purposes of this subdivision, the population of the county is the

population of the unincorporated area of the county.

(b) Prior to the authority allocating funds, each local government shall certify to the authority that the funds will not be substituted for property tax funds which are currently utilized to fund existing local transportation programs. If the local government is unable to segregate property tax revenues from other general fund revenues which cannot be so distinguished, substitution of funds from the authority for general funds is also prohibited.

(c) The authority shall require that local governments to which funds are allocated to separately account for those funds and maintain records of expenditures in accordance with administrative code requirements adopted by the authority.

142258. (a) The transportation planning agency shall annually review and assess the needs for highway transportation purposes specified in Sections 142255 and 142256. As part of this review and assessment, the transportation planning agency shall solicit proposals for highway transportation improvements from the Department of Transportation and the cities and the county. The transportation planning agency shall adopt a procedure for evaluating these proposals in consultation with the Department of Transportation and the cities and the county.

(b) Based on the evaluation, the transportation planning agency shall prepare a plan for the expenditure of the revenues expected to be derived from the transactions and use tax imposed pursuant to this chapter, together with other federal, state, and local improvements, for a period of not less than 20 years. The first five years of the plan shall be incorporated into the transportation planning agency's annual submission to the California Transportation Commission for the state transportation improvement program pursuant to Chapter 2.5 (commencing with Section 65080) of Division 1 of Title 7 of the Government Code.

(c) The expenditure plan shall also include projections of revenues likely to be available in the next five years for capital, maintenance, and operational purposes in categories of transportation facilities, including, but not limited to, freeways, expressways, and conventional state highways, and local streets and roads and transit.

(d) Before adoption of an expenditure plan, the transportation planning agency shall conduct public hearings on the plan.

142259. Except as otherwise provided by Section 142260, the transportation planning agency may amend the expenditure plan annually.

142260. (a) The authority may, by the affirmative vote of a majority of the members, annually approve, or approve subject to amendment, the expenditure plan adopted pursuant to Section 142258. The authority shall take all appropriate actions to give highest priority to the projects in the initial expenditure plan, and any amendments shall not delay or delete any project in the initial plan without the authority holding a public hearing and adopting a

resolution specifically detailing the reason why the amendments are necessary relative to conditions beyond control of the authority.

(b) The authority shall notify the transportation planning agency, the board of supervisors, and the city council of each city in the county and provide them with a copy of the proposed amendments.

(c) The proposed amendments shall become effective 45 days after notice is given pursuant to subdivision (b). A public hearing shall be held on the proposed amendments prior to final adoption if any city or the county objects to the amendment in writing within 30 days of receiving the notice.

142261. If a retail transactions and use tax is adopted pursuant to this chapter, the authority shall prepare and submit a report to the Department of Transportation, to the board of supervisors, to the city council of each city in the county, and to the transportation planning agency, on or before each January 1 after taxes are imposed pursuant to this chapter. The report shall evaluate and report the progress made in implementing the expenditure plan during the preceding fiscal year.

142262. The authority, subject to the approval of the voters, may impose the retail transactions and use tax at a maximum rate of one-half of 1 percent under this chapter and Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code, and may state the maximum tax rate in terms of not to exceed one-half of 1 percent.

142263. (a) The board of supervisors, as part of the ballot proposition to approve the imposition of a retail transactions and use tax, shall seek authorization from the electors to issue bonds payable solely from the proceeds of the tax.

(b) The maximum bonded indebtedness which may be authorized shall be an amount equal to the sum of the principal and interest on the bonds, not to exceed the estimated proceeds of the tax, for a period of not more than 20 years. The actual wording of the proposition on any short form of ballot card, label, or other device, regardless of the system of voting used, shall read as follows:

IMPROVING ROADS AND TRANSPORTATION IN FRESNO COUNTY To provide for countywide road improvements and rehabilitation, freeway expansion, and local transportation purposes which would contribute to better traffic flow, improved air quality, and increased safety; this proposition authorizes the Fresno County Transportation Authority to impose, by ordinance, a one-half of 1 percent transactions and use tax (for a period of not to exceed 20 years) with not more than 75 percent for highway improvements in Fresno County and not less than 25 percent for local transportation purposes and to issue bonds payable from the proceeds of that tax and establishes the appropriations limit of the authority in the amount of _____ dollars ($_____).	YES	
	NO	

142264. (a) The bonds authorized by the voters concurrently with the approval of the retail transactions and use tax may be issued by the authority at any time, and from time to time, payable solely from the proceeds of the tax. The bonds shall be referred to as "limited tax bonds."

(b) The pledge of the tax to the limited tax bonds authorized under this chapter has priority over the use of any of the tax for pay-as-you-go financing, except to the extent that that priority is expressly restricted in the resolution authorizing the issuance of the bonds.

142265. Limited tax bonds shall be issued pursuant to a resolution adopted at any time by an affirmative vote of a majority of the members of the authority. Each resolution shall provide for the issuance of bonds in the amounts as may be necessary, until the full amount of the bonds authorized have been issued. The full amount of bonds may be divided into two or more series and different dates of payment fixed for the bonds of each series. A bond need not mature on its anniversary date.

142266. (a) A resolution authorizing the issuance of limited tax bonds shall state all of the following:

(1) The purpose for which the proposed debt is to be incurred, which may include all costs and estimated costs incidental to or connected with the accomplishment of those purposes, including, without limitation, engineering, inspection, legal, fiscal agents, financial consultant and other fees, bond and other reserve funds, working capital, bond interest estimated to accrue during the construction period and for a period not to exceed three years thereafter, and expenses of all proceedings for the authorization,

issuance, and sale of the bonds.

(2) The estimated cost of accomplishing those purposes.

(3) The amount of the principal of the indebtedness.

(4) The maximum term that the bonds proposed to be issued shall run before maturity, which shall not be beyond the date of termination of the imposition of the retail transactions and use tax.

(5) The maximum rate of interest to be paid, which shall not exceed the maximum allowable by law.

(6) The denomination or denominations of the bonds, which shall not be less than five thousand dollars ($5,000).

(7) The form of the bonds, including, without limitation, registered bonds and coupon bonds, to the extent permitted by federal law, and the form of any coupons to be attached thereto, the registration, conversion, and exchange privileges, if any, pertaining thereto, and the time when all of, or any part of, the principal becomes due and payable.

(b) The resolution may also contain any other matters authorized by this chapter or any other provision of law.

142267. The bonds shall bear interest at a rate or rates not exceeding the maximum allowable by law, payable semiannually, except that the first interest payable on the bonds, or any series thereof, may be for any period not exceeding one year, as determined by the authority.

142268. In the resolution authorizing the issuance of the bonds, the authority may also provide for call and redemption of the bonds prior to maturity at the times and prices and upon other terms as specified. However, no bond is subject to call or redemption prior to maturity unless it contains a recital to that effect or unless a statement to that effect is printed thereon.

142269. The principal of, and interest on, the bonds shall be payable in lawful money of the United States at the office of the auditor-controller-treasurer of the county and other places as may be designated by the authority.

142270. (a) The bonds, or each series thereof, shall be dated and numbered consecutively and shall be signed by the chairperson or vice chairperson of the authority and the auditor-controller-treasurer of the county, and the official seal of the authority shall be attached.

(b) The interest coupons of the bonds, if any, shall be signed by the auditor-controller-treasurer of the county.

(c) All signatures and the seal may be printed, lithographed, or mechanically reproduced, except that one of the signatures on the bonds shall be manually affixed.

(d) If any officer whose signature appears on the bonds or coupons ceases to be that officer before the delivery of the bonds, the officer's signature is as effective as if the officer had remained in office.

142271. The bonds may be sold as the authority determines by resolution. The authority may sell the bonds at a price below par,

whether by negotiated or public sale.

142272. Delivery of any bonds may be made at any place either inside or outside the state, and the purchase price may be received in cash or bank credits.

142273. All accrued interest and premiums received on the sale of the bonds shall be placed in the fund to be used for the payment of principal of, and interest on, the bonds, and the remainder of the proceeds of the bonds shall be placed in the treasury of the authority and applied to secure the bonds or for the purposes for which the debt was incurred. However, when the purposes have been accomplished, any money remaining shall be either (a) transferred to the fund to be used for the payment of principal of, and interest on, the bonds or (b) placed in a fund to be used for the purchase of outstanding bonds of the authority from time to time in the open market at prices and in the manner, either at public or private sale or otherwise, as determined by the authority. Bonds so purchased shall be canceled immediately.

142274. (a) The authority may provide for the issuance, sale, or exchange or refunding bonds to redeem or retire any bonds issued by the authority upon the terms, at the times, and in the manner which it determines.

(b) Refunding bonds may be issued in a principal amount sufficient to pay all, or any part of, the principal of the outstanding bonds, the premiums, if any, due upon call and redemption thereof prior to maturity, all expenses of the refunding, and either of the following:

(1) The interest upon the refunding bonds from the date of sale thereof to the date of payment of the bonds to be refunded out of the proceeds of the sale of the refunding bonds or to the date upon which the bonds to be refunded will be paid pursuant to call or agreement with the holders of the bonds.

(2) The interest upon the bonds to be refunded from the date of sale of the refunding bonds to the date of payment of the bonds to be refunded or to the date upon which the bonds to be refunded will be paid pursuant to call or agreement with the holders of the bonds.

(c) The provisions of this chapter for the issuance and sale of bonds apply to the issuance and sale of refunding bonds.

142275. (a) The authority may borrow money in anticipation of the sale of bonds which have been authorized pursuant to this chapter, but which have not been sold and delivered, and may issue negotiable bond anticipation notes therefor and may renew the bond anticipation notes from time to time. However, the maximum maturity of any bond anticipation notes, including the renewals thereof, shall not exceed five years from the date of delivery of the original bond anticipation notes.

(b). The bond anticipation notes, and the interest thereon, may be paid from any money of the authority available therefor, including the revenues from the retail transactions and use taxes imposed pursuant to this chapter. If not previously otherwise paid, the bond

anticipation notes, or any portion thereof, or the interest thereon, shall be paid from the proceeds of the next sale of the bonds of the authority in anticipation of which the notes were issued.

(c) The bond anticipation notes shall not be issued in any amount in excess of the aggregate amount of bonds which the authority has been authorized to issue less the amount of any bonds of the authorized issue previously sold, and also less the amount of other bond anticipation notes therefor issued and then outstanding. The bond anticipation notes shall be issued and sold in the same manner as the bonds.

(d) The bond anticipation notes and the resolutions authorizing them may contain any provisions, conditions, or limitations which a resolution of the authority authorizing the issuance of bonds may contain.

142276. Any bonds issued under this chapter are legal investments for all trust funds; for the funds of insurance companies, commercial and savings banks, and trust companies; and for state school funds; and whenever any money or funds may, by any law now or hereafter enacted, be invested in bonds of cities, counties, school districts, or other districts within the state, that money or funds may be invested in the bonds issued under this chapter; and whenever bonds of cities, counties, school district, or other districts within the state may, by any law now or thereafter enacted, be used as security for the performance of any act or the deposit of any public money, the bonds issued under this chapter may be so used. The provisions of this chapter are in addition to all other laws relating to legal investments and shall be controlling as the latest expression of the Legislature with respect thereto.

142277. Any action or proceeding wherein the validity of the adoption of the retail transactions and use tax ordinance provided for in this chapter, or the issuance of any bonds thereunder, or any of the proceedings in relation thereto, is contested, questioned, or denied, shall be commenced within six months from the date of the election at which the ordinance is approved; otherwise, the bonds and all proceedings in relation thereto, including the adoption and approval of the ordinance, shall be held to be valid and in every respect legal and incontestable.

SEC. 5. Section 7252.8 is added to the Revenue and Taxation Code, to read:

7252.8. "Districts," as used in this part, also means a county transportation authority or the Metropolitan Transportation Commission if authorized to impose transactions and use taxes pursuant to this part.

SEC. 6. Section 7252.10 is added to the Revenue and Taxation Code, to read:

7252.10. "District," as used in this part, also means the Fresno County Transportation Authority, if authorized to impose transactions and use taxes pursuant to this part.

This section shall remain in effect as long as Division 15

(commencing with Section 142000) of the Public Utilities Code remains in effect, but shall be repealed upon the repeal of that division.

SEC. 7. Section 42009 of the Vehicle Code is amended to read:

42009. (a) Notwithstanding subdivision (c) of Section 42007, in addition to the fees authorized or required by Section 42007 or any other provisions of law, the court shall order payment of an additional fee from every person ordered, in lieu of adjudicating a traffic offense, to attend a school pursuant to Section 42005 or any court-supervised program of driving instruction.

(b) The amount of the fee shall be ten dollars ($10).

(c) The revenues from the fees shall be deposited by the clerk in accordance with Section 68084 of the Government Code. The clerk shall report to the county auditor which agency issued the notice to appear for which the fee was collected and the amounts thereof.

(d) After deducting one dollar and ten cents ($1.10) per citation for the administrative costs to the county for collection and processing of the fee, the county shall transfer the revenues to the issuing local governmental entity monthly.

(e) Revenues collected under this section shall be deposited in the general fund of the local governmental entity which issues the notice to appear.

SEC. 8. If any provision of this act or the application thereof to any circumstances is held unconstitutional, that decision shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end, the provisions of this act are severable. The Legislature hereby declares that it would have passed this act, and each portion thereof, irrespective of the fact that any other portion be declared unconstitutional.

SEC. 9. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act and because this act is in accordance with the request of a local agency or school district which desired legislative authority to carry out the program specified in this act.

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

In order to assure the development of traffic and transportation projects and to clarify what fees a court may order persons to pay who are ordered to attend schools for traffic violators or driving schools, it is necessary that this act take effect immediately.

CHAPTER 302

An act to amend Sections 5070.6 and 5072 of the Business and Professions Code, relating to accountancy.

[Approved by Governor July 14, 1986 Filed with Secretary of State July 15, 1986]

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

SECTION 1. Section 5070.6 of the Business and Professions Code is amended to read:

5070.6. Except as otherwise provided in this chapter, an expired permit may be renewed at any time within five years after its expiration on filing of application for renewal on a form prescribed by the board, payment of all accrued and unpaid renewal fees and on and after December 31, 1974, giving evidence to the board of compliance with the continuing education provisions of this chapter. If the permit is renewed more than 30 days after its expiration, its holder, as a condition precedent to renewal, shall also pay the delinquency fee prescribed by this chapter. Renewal under this section shall be effective on the date on which the application is filed, on the date on which the accrued renewal fees are paid, or on the date on which the delinquency fee, if any, is paid, whichever last occurs. If so renewed, the permit shall continue in effect through the date provided in Section 5070.5 which next occurs after the effective date of the renewal, when it shall expire if it is not again renewed.

SEC. 2. Section 5072 of the Business and Professions Code is amended to read:

5072. A partnership engaged in this state in the practice of public accountancy may register with the board as a partnership of certified public accountants provided it meets the following requirements:

(a) At least one general partner must be a certified public accountant of this state in good standing or must have applied for a certificate as a certified public accountant under the provisions of Sections 5087 and 5088.

(b) Each partner personally engaged within this state in the practice of public accountancy must be a licensee in good standing of this state or must have applied for a certificate as a certified public accountant under the provisions of Sections 5087 and 5088.

(c) Each partner not personally engaged within this state must be a certified public accountant in good standing of some state.

(d) Each resident manager in charge of an office of the firm in this state must be a licensee in good standing of this state, or must have applied for a certificate as a certified public accountant under the provisions of Sections 5087 and 5088.

CHAPTER 303

An act to amend Sections 5018, 5037, and 5087 of, to add Section 5035.1 to, and to repeal Section 5054 of, the Business and Professions Code, relating to accountancy.

[Approved by Governor July 14, 1986 Filed with Secretary of State July 15, 1986]

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

SECTION 1. Section 5018 of the Business and Professions Code is amended to read:

5018. The board may by regulation, prescribe, amend or repeal rules of professional conduct appropriate to the establishment and maintenance of a high standard of integrity and dignity in the profession. In addition to the requirements contained in Chapter 4 (commencing with Section 11370) of Part 1 of Division 3 of Title 2 of the Government Code, a copy of the rules shall be mailed to every holder of a license under this chapter at least 30 days prior to a date named for a public hearing held for the purpose of receiving and considering objections to any of the proposed provisions. Every licensee of the State Board of Accountancy in this state shall be governed and controlled by the rules and standards adopted by the board.

SEC. 2. Section 5035.1 is added to the Business and Professions Code, to read:

5035.1. "Firm" means a sole proprietorship, a corporation, or a partnership.

SEC. 3. Section 5037 of the Business and Professions Code is amended to read:

5037. (a) All statements, records, schedules, working papers and memoranda made by a licensee or a partner, shareholder, officer, director, or employee of a licensee, incident to, or in the course of, rendering services to a client in the practice of public accountancy, except the reports submitted by the licensee to the client and except for records which are part of the client's records, shall be and remain the property of the licensee in the absence of an express agreement between the licensee and the client to the contrary. No such statement, record, schedule, working paper, or memoranda shall be sold, transferred, or bequeathed, without the consent of the client or his or her personal representative or assignee, to anyone other than one or more surviving partners or stockholders or new partners or stockholders of the licensee, or any combined or merged firm or successor in interest to the licensee.

(b) A licensee shall furnish to his or her client or former client, upon request and reasonable notice:

(1) A copy of the licensee's working papers, to the extent that those working papers include records that would ordinarily

constitute part of the client's records and are not otherwise available to the client.

(2) Any accounting or other records belonging to, or obtained from or on behalf of, the client which the licensee removed from the client's premises or received for the client's account. The licensee may make and retain copies of documents of the client when they form the basis for work done by him or her.

SEC. 4. Section 5054 of the Business and Professions Code is repealed.

SEC. 5. Section 5087 of the Business and Professions Code is amended to read:

5087. (a) The board may waive the examination requirements contained in Section 5082 and issue a certificate as a certified public accountant to any applicant who is a holder of a valid and unrevoked certificate as a certified public accountant issued under the laws of any state, if the board determines that the standards under which the applicant received the certificate were as high as the standards established in this article and the applicant also complies with the following:

(1) He or she is over the age of 18, and has not committed acts or crimes constituting grounds for the denial of a certificate under Section 480.

(2) He or she is a bona fide resident of California, or has a place in California for the regular practice of public accountancy and is actively engaged in that practice although not necessarily so engaged personally in California.

(b) The board may in particular cases waive or defer any of the requirements regarding the circumstances in which the various parts of the examination are to be passed for an applicant from another state, upon a showing that, by reason of circumstances beyond the applicant's control, he or she was unable to meet the requirement.

CHAPTER 304

An act to add Sections 12818, 12819, 21061, 21062, and 40313 to the Vehicle Code, relating to drivers' licenses.

[Approved by Governor July 14, 1986 Filed with Secretary of State July 15, 1986.]

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

SECTION 1. Section 12818 is added to the Vehicle Code, to read:

12818. (a) Upon a request for reexamination and presentation of a legible copy of a notice of reexamination by a person issued the notice pursuant to Section 21061, the department shall reexamine the person's qualifications to operate a motor vehicle pursuant to Section 13801, notwithstanding the notice requirement of Section 13801.

(b) Based on the department's reexamination of the person's qualifications pursuant to subdivision (a), the department shall determine if either of the following actions should be taken:

(1) Suspend or revoke the driving privilege of that person for any of the reasons stated in subdivision (b), (c), (d), or (e) of Section 12805.

(2) Restrict, make subject to terms and conditions of probation, suspend, or revoke the driving privilege of that person based upon the records of the department as provided in Chapter 3 (commencing with Section 13800).

(c) As an alternative to subdivision (a), the department may suspend or revoke the person's driving privilege as provided under Article 2 (commencing with Section 13950) of Chapter 3.

(d) Upon request, the department shall notify the law enforcement agency which employs the traffic officer who issued the notice of reexamination of the results of the reexamination.

SEC. 2. Section 12819 is added to the Vehicle Code, to read:

12819. Unless the person issued the notice of reexamination requests the reexamination pursuant to Section 12818 within five working days after the department receives the notice of reexamination transmitted pursuant to Section 21062, the department shall peremptorily suspend the driving privilege of the person until the person has completed the reexamination and the department has taken the action prescribed in subdivision (b) of Section 12818.

SEC. 3. Section 21061 is added to the Vehicle Code, to read:

21061. (a) In addition to any action prescribed in Division 17 (commencing with Section 40000.1), a traffic officer may issue a notice of reexamination to any person who violates any provision of this division and who, at the time of the violation, exhibits evidence of incapacity to the traffic officer which leads the traffic officer to reasonably believe that the person is incapable of operating a motor vehicle in a manner so as not to present a clear or potential danger of risk of injury to that person or others if that person is permitted to resume operation of a motor vehicle.

(b) For purposes of this section, "evidence of incapacity" means evidence, other than violations of this division, of serious physical injury or illness or mental impairment or disorientation which is apparent to the traffic officer and which presents a clear or potential danger or risk of injury to the person or others if that person is permitted to resume operation of a motor vehicle.

SEC. 4. Section 21062 is added to the Vehicle Code, to read:

21062. The arresting officer shall, before the end of the next working day, transmit, or cause to be transmitted, a legible copy of the notice of reexamination to the Department of Motor Vehicles, and the department shall enter the record of the notice in the driver's license record maintained by electronic recording and storage media by the department within five working days of its receipt.

SEC. 5. Section 40313 is added to the Vehicle Code, to read:

40313. If a notice of reexamination was issued pursuant to Section 21061, the record of arrest for the traffic violation, or any notice to appear issued under this article, or both, shall include a notation indicating that the notice of reexamination was issued to the arrested person and the driver's license record maintained by the department shall contain a record of the notice of reexamination. The record of the notice of reexamination shall be considered confidential by the department pursuant to Section 1808.5.

SEC. 6. This act shall become operative on July 1, 1987.

CHAPTER 305

An act to amend Section 502 of, and to add Article 1.5 (commencing with Section 410) to Chapter 1 of Division 3 of, the Harbors and Navigation Code, relating to vessels.

[Approved by Governor July 14, 1986 Filed with Secretary of State July 15, 1986]

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

SECTION 1. Article 1.5 (commencing with Section 410) is added to Chapter 1 of Division 3 of the Harbors and Navigation Code, to read:

Article 1.5. Vessel Repair

410. As used in this article, the following definitions apply:

(a) "Customer" means any person who requests a repairperson to do work on a vessel which is in the possession of that person.

(b) "Repairperson" means any person engaged in the business of repairing vessels.

(c) "Vessel" means any vessel which is subject to registration with the Department of Motor Vehicles and which is manufactured or used for noncommercial purposes or is leased, rented, or chartered to another for noncommercial use.

411. This article applies only to work done on a vessel with an estimated cost of one hundred dollars ($100) or more.

412. Notwithstanding Section 502, a repairperson has no lien on a vessel under this article for compensation for services rendered to the vessel, unless the repairperson has complied with this article.

413. No repairperson shall commence work for compensation without specific authorization from the customer or his or her agent in accordance with all of the following requirements:

(a) The repairperson shall give to the customer either of the following:

(1) A written estimated price for labor and parts for a specific job.

(2) A written estimate of the maximum cost for a specific job which does not differentiate between labor and parts, but which shall not be exceeded by the actual cost of the job, including labor and parts.

No work shall be done or parts supplied in excess of, or different from, the original written estimate without the separate oral or written consent of the customer. If the consent is oral, the repairperson shall make a notation on the work order and on the invoice of the date, time, name of person authorizing the additional work or change in work, and the telephone number called, if any, together with a specification of the additional parts and labor and the total additional cost.

(b) If it is necessary to disassemble a vessel or its component in order to prepare a written estimated price for required work, the repairperson shall first give the customer a written estimated price for the disassembly and reassembly. The estimate shall also include the cost of parts and necessary labor to replace items such as gaskets, seals, and O rings that are normally destroyed by disassembling the component. If the disassembling might prevent the restoration of the component to its former condition, the repairperson shall write that information on the work order containing the estimate before the work order is signed by the customer.

The repairperson shall inform the customer orally, and conspicuously in writing on the work order, of the maximum time it will take the repairperson to reassemble the vessel or its component if the customer elects not to proceed with the work. The repairperson shall not charge the customer for more time than the specified maximum time if the customer elects not to proceed with the work.

After the disassembling has been performed, the repairperson shall prepare a written estimated price for labor and parts necessary for the requested work. Before performing the requested work, the repairperson shall obtain the customer's authorization to either perform the work or to reassemble the vessel or its components.

(c) When the customer is unable to deliver the vessel to the repairperson during business hours, and the customer has requested the repairperson to take possession of the vessel for the purpose of performing work on the vessel or estimating the cost of the work, the repairperson shall not undertake work on the vessel for compensation unless the repairperson has done all of the following:

(1) The repairperson has prepared a work order stating the written estimated price for labor and parts necessary to perform the work.

(2) By telephone or otherwise, the customer has been given all of the information on the work order, and the customer has approved the work order.

(3) The customer has given oral or written authorization to the repairperson to make the repairs pursuant to the work order.

If the authorization is oral, the repairperson shall make, on both

the work order and the invoice, a notation of the name of the customer, the date, the time, and the telephone number called, if any.

414. Any repairperson who gives an original estimate in good faith, shall not be obligated to complete a job within the quoted or written estimated price if additional, unforeseen work is necessary to complete the job and the customer refuses to consent to payment for the cost of that additional work.

415. All work done by a repairperson, including all warranty work, shall be recorded on an invoice and shall describe all work done and parts supplied.

Work and parts shall be listed separately on the invoice, which shall also state separately the subtotal prices for work and for parts, not including sales tax, and shall state separately the sales tax, if any, applicable to each.

If any used, rebuilt, or reconditioned parts are supplied, the invoice shall clearly state that fact. If a part of a component system is composed of new and used, rebuilt, or reconditioned parts, the invoice shall clearly state that fact.

One copy of the invoice shall be given to the customer and one copy shall be retained by the repairperson.

416. The invoice shall show the repairperson's business name and address.

If the repairperson's telephone number is on the invoice, it shall be the telephone number that appears in any advertisement or on an advertising sign, and shall be the same number as that listed for the repairperson's firm name and address in the telephone directory, or on the telephone company records if the number is assigned to the repairperson subsequent to the publication of the telephone directory.

417. Notwithstanding Section 413, upon authorization from the customer as to a specific job, a repairperson may work on a vessel on a time and materials basis.

418. (a) This article does not apply to a vessel in distress which is in need of immediate work critical to its preservation and safety, for which consent cannot expeditiously be obtained.

(b) This section does not include any situation or accident caused to the vessel by the negligence or conduct of the repairperson or the repairperson's agent.

SEC. 2. Section 502 of the Harbors and Navigation Code is amended to read:

502. (a) Except as provided in Article 1.5 (commencing with Section 410) of Chapter 1 of Division 3, every person has a lien dependent upon possession of the vessel for the compensation to which he or she is legally entitled for services rendered to or storage of any vessel subject to registration with the Department of Motor Vehicles. The lien shall arise at the time a written statement of lien is sent to the registered owner of the vessel which specifies the charges for services or storage rendered and states that the vessel is

subject to sale pursuant to the California Boater's Lien Law.

(b) Notwithstanding subdivision (a), no lien provided by this section for storage or service provided upon the request of any person other than the legal owner as shown on the registration certificate of the vessel shall be valid against the interest of the legal owner to the extent that the lien exceeds seven hundred fifty dollars ($750) unless the person performing such storage or service obtains the consent of the legal owner to the amount of the excess. The legal owner may limit his or her consent to a specified dollar amount or period of time. The lien claimant shall give actual notice in writing, prior to exceeding such amount, either by personal service or by registered mail to the legal and registered owner or owners as named and at the addresses as shown on the registration certificate, on a standard form provided by the department, containing a description of the storage or services, or both, a description and registration number of the vessel, the name of the registered owner or owners, the dollar amount or rate of the charges for the storage or services, and a statement in boldface type that, with respect to storage charges, consent of the legal owner shall be presumed unless the legal owner notifies the lien claimant within 15 days of receipt of the request for consent that he or she declines to consent to such storage.

(c) Notwithstanding subdivision (b), any claim for the cost of services may exceed the estimate given therefor by an amount not in excess of 10 percent thereof and the lien of the lien claimant shall be valid against the legal owner to the full amount of such excess to the same extent as would be a lien for the original estimate.

(d) With respect to claims for storage charges, a legal owner shall be presumed to consent to storage charges if he or she fails to respond to the request for consent set forth in subdivision (b) within 15 days after receipt thereof, such response to be addressed to the lien claimant at the address stated in the request for consent. In addition, consent in all cases is presumed for the 30-day period immediately following the giving of the request for consent notice.

(e) The legal owner may, upon declining consent, remove the vessel from the lien claimant only upon satisfying the lien of the lien claimant.

(f) Any lien arising under this section shall be extinguished, and no lien sale shall be conducted unless, 60 days after the lien arises, the lienholder does either of the following:

(1) Applies to the department for an authorization to conduct a lien sale.

(2) Files an action on the claim in court.

(g) Nothing in this section shall impair any rights or remedies which are otherwise available to the lien claimant against the registered owner under any other provisions of law.

CHAPTER 306

An act to amend the heading of Article 6 (commencing with Section 210) of Chapter 1 of Division 1 of, and to repeal Sections 75.5, 75.6, 75.8, 210, 210.1, 210.4, 210.5, 211, 211.5, 212, 213, and 215 of, the Streets and Highways Code, relating to highways and freeways.

[Approved by Governor July 14, 1986 Filed with Secretary of State July 15, 1986]

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

SECTION 1. Section 75.5 of the Streets and Highways Code is repealed.

SEC. 2. Section 75.6 of the Streets and Highways Code is repealed.

SEC. 3. Section 75.8 of the Streets and Highways Code is repealed.

SEC. 4. The heading of Article 6 (commencing with Section 210) of Chapter 1 of Division 1 of the Streets and Highways Code is amended to read:

Article 6. Freeway Noise Attenuation

SEC. 5. Section 210 of the Streets and Highways Code is repealed.

SEC. 6. Section 210.1 of the Streets and Highways Code is repealed.

SEC. 7. Section 210.4 of the Streets and Highways Code is repealed.

SEC. 8. Section 210.5 of the Streets and Highways Code is repealed.

SEC. 9. Section 211 of the Streets and Highways Code is repealed.

SEC. 10. Section 211.5 of the Streets and Highways Code is repealed.

SEC. 11. Section 212 of the Streets and Highways Code is repealed.

SEC. 12. Section 213 of the Streets and Highways Code is repealed.

SEC. 13. Section 215 of the Streets and Highways Code is repealed.

SEC. 14. It is the purpose of this act to delete certain statutory provisions, the enactment of which preceded subsequent legislation, such as the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) and the National Environmental Policy Act of 1969 (42 U.S.C. Sec. 4321 et seq.), and which have been superseded by or rendered redundant by those acts. It is the intent of the Legislature that freeway location adoptions shall continue to be governed by the requirements of those acts and subsequent amendment thereto.

CHAPTER 307

An act to amend and renumber Section 26228 of the Government Code, relating to law enforcement services, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 14, 1986 Filed with Secretary of State July 15, 1986]

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

SECTION 1. Section 26228 of the Government Code is amended and renumbered to read:

53069.8. (a) Except as provided by Section 1112 of the Labor Code, the board of supervisors of any county may contract on behalf of the sheriff of that county, and the legislative body of any city may contract on behalf of the chief of police of that city to provide supplemental law enforcement services to private individuals or private entities to preserve the peace at special events or occurrences that happen on an occasional basis. Contracts entered into under the authority of this section shall provide for full reimbursement to the county or city of the actual costs of providing those services, as determined by the county auditor, auditor-controller, or by the city, as the case may be.

(b) The services provided under this section shall be rendered by regularly appointed full-time peace officers, as defined in Section 830.1 of the Penal Code or as negotiated with the respective certified employee organizations.

(c) Peace officer rates of pay shall be governed by a memorandum of understanding.

(d) A contract entered into pursuant to this section shall encompass only law enforcement duties and not services authorized to be provided by a private patrol operator, as defined in Section 7521 of the Business and Professions Code.

(e) Contract law enforcement services permitted under this section shall not reduce the normal and regular ongoing service that the county, or agency of the county, or city would otherwise provide if the county or city did not contract for any law enforcement services allowed by this section.

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

In order to authorize cities, as soon as possible, to contract and provide supplemental law enforcement services, it is necessary that this act take effect immediately.

CHAPTER 308

An act to amend Sections 6018.6, 6071, 6379, 6381, 6452, 6455, 7056, and 8755 of, and to repeal Sections 6051, 6051.5, 6051.6, 6051.7, 6051.8, 6201, 6201.5, 6201.6, 6201.7, 6201.8, 6381.5, 7151, and 8656 of, the Revenue and Taxation Code, relating to taxation.

[Approved by Governor July 14, 1986 Filed with Secretary of State July 15, 1986]

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

SECTION 1. Section 6018.6 of the Revenue and Taxation Code is amended to read:

6018.6. Any person who receives no more than 20 percent of his or her total gross receipts from the alteration of garments during the preceding calendar year is a consumer of, and shall not be considered a retailer within the provisions of this part with respect to, property used or furnished by that person in altering new or used clothing, provided both of the following apply:

(a) That person holds a license issued by the state to act as a pickup and delivery point for garment cleaning, or to provide spotting and pressing services on the premises but not garment cleaning, or to operate a garment cleaning or dyeing plant on the premises.

(b) Seventy-five percent or more of that person's total gross receipts represent charges for garment cleaning or dyeing services.

Sales tax shall not apply to the charges for those alterations. However, that person is a retailer of any other tangible personal property sold to consumers in the regular course of business and sales tax shall apply to the gross receipts from those sales.

For the purpose of this section, the terms "cleaning," which includes wet cleaning and drycleaning, "garment," "dyeing," "spotting," and "pressing" are defined pursuant to Article 1 (commencing with Section 9500) of Chapter 18 of Division 3 of the Business and Professions Code.

SEC. 2. Section 6018.6 of the Revenue and Taxation Code is amended to read:

6018.6. (a) Any person who receives no more than 20 percent of his or her total gross receipts from the alteration of garments during the preceding calendar year is a consumer of, and shall not be considered a retailer within the provisions of this part with respect to, property used or furnished by that person in altering new or used clothing, provided both of the following apply:

(1) That person operates a location or locations as a pickup and delivery point for garment cleaning, or provides spotting and pressing services on the premises but not garment cleaning, or operates a garment cleaning or dyeing plant on the premises.

(2) Seventy-five percent or more of that person's total gross

receipts represent charges for garment cleaning or dyeing services.

(b) Sales tax shall not apply to the charges for alterations specified in subdivision (a). However, that person is a retailer of any other tangible personal property sold to consumers in the regular course of business and sales tax shall apply to the gross receipts from those sales.

(c) For the purpose of this section:

(1) "Cleaning" means wet cleaning and drycleaning.

(2) "Wet cleaning" means the process of cleaning a garment by immersion in water, or by applying manually or by any mechanical device, water, or any detergent and water, or by spraying or brushing the garment with water or water and any detergent, or water vapor, or steam, and includes self-service or coin-operated equipment in whole or in part.

(3) "Drycleaning" means the process of cleaning or renovating wearing apparel, feathers, furs, hats, fabrics, household items, or textiles by immersion and agitation, spraying, vaporization, or immersion only, in a volatile, commercially moisture-free solvent or by the use of a volatile or inflammable product, applied either manually or by means of a mechanical appliance and including self-service or coin-operated equipment in whole or in part.

(4) "Dyeing" means the process of coloring wearing apparel, feathers, furs, hats, fabrics, or textiles by the use of aniline dyes, mordants, or acids, with or without steam, excluding, however, the use of any dye or combination of dyes which is directly soluable or dispersible in water and which does not require chemical alteration of its structure for application, where that dye or combination of dyes is applied to cotton, viscose rayon, or cuprammonium rayon other than wearing apparel.

(5) "Spotting" means the process of removing spots or stains or localized areas of soil from a garment, either before or after, and with or without drycleaning or wet cleaning, by brushing, spraying, or other means of manual or mechanical application, other than immersion, with water, detergents, and volatile or inflammable solvents, chemicals, or any, or all of them.

(6) "Pressing" means the process of restoring the garment to the original shape, dimensions or contour thereof, or to those in which the same was received from the customer, or as directed by the customer, and the removal of wrinkles, stresses, bulges, and impressions, imprint marks and shine, from a garment by the application of pressure, heat, moisture, water vapor or steam, or all of them, whether applied manually, or by any mechanical means.

SEC. 3. Section 6051 of the Revenue and Taxation Code, as amended by Section 2 of Chapter 296 of the Statutes of 1973, is repealed.

SEC. 4. Section 6051.5 of the Revenue and Taxation Code is repealed.

SEC. 5. Section 6051.6 of the Revenue and Taxation Code is repealed.

SEC. 6. Section 6051.7 of the Revenue and Taxation Code is repealed.

SEC. 7. Section 6051.8 of the Revenue and Taxation Code is repealed.

SEC. 8. Section 6071 of the Revenue and Taxation Code is amended to read:

6071. A person who engages in business as a seller in this state without a permit or permits or after a permit has been suspended or revoked, and each officer of any corporation which so engages in business, is guilty of a misdemeanor punishable as provided in Section 7153.

SEC. 9. Section 6201 of the Revenue and Taxation Code, as amended by Section 7 of Chapter 296 of the Statutes of 1973, is repealed.

SEC. 10. Section 6201.5 of the Revenue and Taxation Code is repealed.

SEC. 11. Section 6201.6 of the Revenue and Taxation Code is repealed.

SEC. 12. Section 6201.7 of the Revenue and Taxation Code is repealed.

SEC. 13. Section 6201.8 of the Revenue and Taxation Code is repealed.

SEC. 14. Section 6379 of the Revenue and Taxation Code is amended to read:

6379. There are exempted from the taxes imposed by this part the gross receipts from the sale of, and the storage, use, or other consumption in this state of any used mobilehome, as defined in Section 18014 of the Health and Safety Code, which is subject to property tax pursuant to Part 13 (commencing with Section 5800) of Division 1, or any used floating home, defined and subject to tax pursuant to Section 229.

SEC. 15. Section 6381 of the Revenue and Taxation Code is amended to read:

6381. There are exempted from the computation of the amount of the sales tax the gross receipts from the sale of any tangible personal property to:

(a) The United States, its unincorporated agencies and instrumentalities;

(b) Any incorporated agency or instrumentality of the United States wholly owned by the United States or by a corporation wholly owned by the United States;

(c) The American National Red Cross, its chapters and branches.

SEC. 16. Section 6381.5 of the Revenue and Taxation Code is repealed.

SEC. 17. Section 6452 of the Revenue and Taxation Code is amended to read:

6452. (a) On or before the last day of the month following each quarterly period of three months, a return for the preceding quarterly period shall be filed with the board in such form as the

board may prescribe.

(b) For purposes of the sales tax, a return shall be filed by every seller and also by every person who is liable for the sales tax under this part. For purposes of the use tax, a return shall be filed by every retailer engaged in business in this state and by every person purchasing tangible personal property, the storage, use, or other consumption of which is subject to the use tax, who has not paid the use tax due to a retailer required to collect the tax. Returns shall be signed by the person required to file the return or by his duly authorized agent but need not be verified by oath.

(c) Any retailer or other person who fails or refuses to furnish any return required to be made, or who fails or refuses to furnish a supplemental return or other data required by the board, is guilty of a misdemeanor punishable as provided in Section 7153.

SEC. 18. Section 6455 of the Revenue and Taxation Code is amended to read:

6455. (a) The board, if it deems it necessary in order to ensure payment to or facilitate the collection by the state of the amount of taxes, may require returns and payment of the amount of taxes for quarterly periods other than calendar quarters depending upon the principal place of business of the seller, retailer or purchaser as the case may be, or for designated periods other than quarterly periods.

(b) On or before the last day of the month following each designated period, a return for the preceding designated period shall be filed with the board in such form as the board may prescribe.

(c) Any retailer or other person who fails or refuses to furnish any return required to be made, or who fails or refuses to furnish a supplemental return or other data required by the board, is guilty of a misdemeanor punishable as provided in Section 7153.

SEC. 19. Section 7056 of the Revenue and Taxation Code is amended to read:

7056. (a) (1) Excepting the information set forth on permits issued under Article 2 (commencing with Section 6066) of Chapter 2, it is unlawful for the board, any person having an administrative duty under this part or any person who obtains access to information contained in, or derived from, sales and use tax records of the board pursuant to subdivision (b) or (c), to make known in any manner whatever the business affairs, operations, or any other information pertaining to any retailer or any other person required to report to the board or pay a tax pursuant to this part, or the amount or source of income, profits, losses, expenditures, or any particular thereof, set forth or disclosed in any return, or to permit any return or copy thereof or any book containing any abstract or particulars thereof to be seen or examined by any person.

(2) It is also unlawful for any person, other than an officer or employee of a county, city and county, or city, who obtains access to information contained in, or derived from, sales and use tax records of the board pursuant to subdivision (b), to retain that information after that person's contract with the county, city and county, or city

has expired.

(3) Notwithstanding paragraphs (1) and (2), the Governor may, by general or special order, authorize examination by other state officers, by tax officers of another state, by the federal government, if a reciprocal arrangement exists, or by any other person of the records maintained by the board under this part. The information so obtained pursuant to the order of the Governor shall not be made public except to the extent and in the manner that the order may authorize that it be made public.

(b) When requested by resolution of the legislative body of any county, city and county, or city, the board shall permit any duly authorized officer or employee of the county, city and county, city, or other person designated by that resolution, to examine all of the sales and use tax records of the board pertaining to sales and use taxes collected for the county, city and county, or city by the board pursuant to contract entered into between the board and the county, city and county, or city under the Bradley-Burns Uniform Local Sales and Use Tax Law (Part 1.5 (commencing with Section 7200)).

(1) The resolution shall certify that any person designated by the resolution, other than an officer or employee meets all of the following conditions:

(A) Has an existing contract with the county, city and county, or city, to examine those sales and use tax records.

(B) Is required by that contract to disclose information contained in, or derived from, those sales and use tax records only to an officer or employee of the county, city and county, or city who is authorized by the resolution to examine the information.

(C) Is prohibited by that contract from performing consulting services for a retailer during the term of that contract.

(D) Is prohibited by that contract from retaining the information contained in, or derived from, those sales and use tax records, after that contract has expired.

(2) Information obtained by examination of board records as permitted in this subdivision shall be used only for purposes related to the collection of local sales and use taxes by the board pursuant to the contract, or for purposes related to other governmental functions of the county, city and county, or city set forth in the resolution.

(c) When requested by resolution of the legislative body of a district, the board shall permit any duly authorized officer or employee of the district to examine the records of the board pertaining to transactions and use taxes collected for the district by the board pursuant to contract entered into between the board and the district. Information obtained by examination of the board records as permitted in this subdivision shall be used only for purposes related to the collection of district transactions and use taxes by the board pursuant to the contract.

(d) If the board believes that any information obtained pursuant to subdivision (b) or (c) has been disclosed to any person not authorized or designated by the resolution of the legislative body of

the county, city and county, city, or district, or has been used for purposes not permitted by subdivision (b) or (c), then notwithstanding subdivisions (b) and (c), the board may impose conditions on access to its sales and use tax records which the board considers reasonable, in order to protect the confidentiality of those records.

(e) Predecessors, successors, receivers, trustees, executors, administrators, assignees, and guarantors, if directly interested, may be given information as to the items included in the measure and amounts of any unpaid tax or amounts of tax required to be collected, interest, and penalties.

SEC. 20. Section 7151 of the Revenue and Taxation Code is repealed.

SEC. 21. Section 8656 of the Revenue and Taxation Code is repealed.

SEC. 22. Section 8755 of the Revenue and Taxation Code is amended to read:

8755. The board, if it deems it necessary in order to ensure payment of the tax imposed by this part, or to facilitate the administration of this part, may require returns and payment of the tax to be made for designated periods other than monthly periods. On or before the 25th day following the last day of each designated period, a return for the preceding designated period shall be filed with the board in such form as the board may prescribe.

SEC. 23. Section 1 of this act shall become operative only if Assembly Bill 183 of the 1985–86 Regular Session is not chaptered and, in that event, Section 2 of this act shall not become operative. Section 2 of this act shall become operative only if Assembly Bill 183 of the 1985–86 Regular Session is chaptered and, in that event, Section 1 of this act shall not become operative.

SEC. 24. The amendment of Section 6018.6 of the Revenue and Taxation Code made by this act does not constitute a change in, but is declaratory of, the existing law.

SEC. 25. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

CHAPTER 309

An act to repeal Section 1393 of the Labor Code, relating to vending by minors.

[Approved by Governor July 14, 1986 Filed with Secretary of State July 15, 1986]

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

SECTION 1. Section 1393 of the Labor Code is repealed.

CHAPTER 310

An act to amend Section 507 of the Harbors and Navigation Code, relating to vessels.

[Approved by Governor July 14, 1986 Filed with Secretary of State July 15, 1986]

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

SECTION 1. Section 507 of the Harbors and Navigation Code is amended to read:

507. (a) Except as provided in subdivision (b), at the time a lienholder applies to the department to conduct a sale under Section 504, the lienholder shall submit with the application a declaration by a licensed yacht and ship broker of the fair market value of the described vessel at a specific date within 30 days of that submission. The opinion need not be based upon a marine survey, but shall be based on a physical inspection of the vessel. No cause of action shall lie against the declarant on account of the opinion given.

(b) The declaration specified in subdivision (a) is not required if a public agency removes an abandoned vessel, or arranges, by contract, for the removal of the vessel, from a highway or from public or private property.

(1) For lien sale purposes, the public agency which removed the vessel, or arranged for the removal, shall determine if the estimated value of the vessel that has been ordered removed or stored is one thousand five hundred dollars ($1,500) or less.

(2) If the public agency fails or refuses to determine the estimated value of the vessel within three days after the date of removal of the vessel, the lienholder or the lienholder's agent shall determine, under penalty of perjury, if the estimated value of the vessel that has been ordered removed or stored is one thousand five hundred dollars ($1,500) or less.

SEC. 2. Reimbursement to local agencies and school districts for costs mandated by the state pursuant to this act shall be made

pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code and, if the statewide cost of the claim for reimbursement does not exceed five hundred thousand dollars ($500,000), shall be made from the State Mandates Claims Fund.

CHAPTER 311

An act to add Section 15337 to the Government Code, relating to economic development.

[Approved by Governor July 14, 1986 Filed with Secretary of State July 15, 1986]

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

SECTION 1. Section 15337 is added to the Government Code, to read:

15337. (a) As one means to carry out the department's purposes of job creation and business development through the tourism and industrial development marketing programs, there is hereby created in the State Treasury, the Commerce Marketing Fund.

(b) The treasurer shall invest moneys contained in the Commerce Marketing Fund not needed to meet current obligations in the same manner as other public funds are invested. Interest which accrues from the investments shall be credited to the fund.

(c) Proceeds which accrue to the state from the merchandising of tourism and industrial development ideas, products, and designs, including written material, shall be deposited in the fund.

(d) The department may receive and accept for deposit in the Commerce Marketing Fund, moneys from any and all public or private sources which are for tourism and industrial development purposes.

(e) Moneys in the Commerce Marketing Fund shall be available for expenditure by the department, upon appropriation by the Legislature, for activities performed consistent with Article 4.5 (commencing with Section 15355) and activities performed consistent with Chapter 1.6 (commencing with Section 15364.50).

CHAPTER 312

An act to add Sections 1797.7 and 1797.185 to the Health and Safety Code, relating to emergency medical services.

[Approved by Governor July 14, 1986 Filed with Secretary of State July 15, 1986]

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

SECTION 1. Section 1797.7 is added to the Health and Safety Code, to read:

1797.7. (a) The Legislature finds and declares that the ability of some prehospital emergency medical care personnel to move from the jurisdiction of one local EMS agency which issued certification and authorization to the jurisdiction of another local EMS agency which utilizes the same level of emergency medical care personnel is unreasonably hindered by the current requirements that those personnel be retested and recertified by each local EMS agency.

(b) It is the intent of the Legislature in enacting this section and Section 1797.185 to ensure that prehospital emergency medical care personnel who have met state competency standards for their basic scope of practice, as defined in Division 9 (commencing with Section 100000) of Title 22 of the California Administrative Code, and are currently certified are recognized statewide without having to repeat testing or certification for that same basic scope of practice.

(c) It is the intent of the Legislature that local EMS agencies may require prehospital emergency medical care personnel who were certified in another jurisdiction to be oriented to the local EMS system and receive training and demonstrate competency in any optional skills for which they have not received accreditation.

(d) It is the intent of the Legislature that subdivisions (a) and (b) not be construed to hinder the ability of local EMS agencies to maintain medical control within their EMS system in accordance with the requirements of this division.

SEC. 2. Section 1797.185 is added to the Health and Safety Code, to read:

1797.185. (a) On or before July 1, 1987, the authority shall establish criteria for the statewide recognition of the certification or authorization of prehospital emergency medical care personnel in the basic scope of practice of those personnel. The criteria shall include, but need not be limited to, the following:

(1) Standards for training, testing, certification, or authorization, and revocation of certification or authorization, as required for statewide recognition of certification and authorization.

(2) Conditions for local accreditation of certified and authorized prehospital emergency medical care personnel which are reasonable in order to maintain medical control and the integrity of the local EMS system, as determined by the authority and approved by the

commission.

(3) Provisions for local accreditation in approved optional scope of practice, if any, as allowed by applicable state regulations and statutes.

(4) Provisions for collection of fees by the appropriate agency for testing, certification, or authorization and accreditation in the appropriate scope of practice.

(b) On or before July 1, 1987, the authority shall amend all relevant regulations for prehospital emergency medical care personnel to include criteria developed pursuant to subdivision (a) to ensure statewide recognition of certification or authorization for the basic scope of practice of those personnel.

(c) All future regulations for prehospital emergency medical care personnel adopted by the authority shall, where relevant, include provisions for statewide recognition of certification or authorization for the basic scope of practice of those personnel.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the local agency or school district has the authority to levy fees, by reason of paragraph (4) of subdivision (a) of Section 1797.185 of the Health and Safety Code, as added by Section 2 of this act, sufficient to pay for the program or level of service mandated by this act.

CHAPTER 313

An act to amend Section 61601.16 of, and to add Sections 61601.17, 61601.19, and 61765.11 to the Government Code, relating to local government.

[Approved by Governor July 14, 1986 Filed with Secretary of State July 15, 1986]

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

SECTION 1. Section 61601.16 of the Government Code is amended to read:

61601.16. In addition to the powers which may be exercised pursuant to Section 61600, whenever the Board of Directors of the Cameron Park Community Services District, the Board of Directors of the Cameron Estates Community Services District, the Board of Directors of the Tenaja Community Services District, or the Board of Directors of the Brooktrails Community Services District determines by resolution, entered in the minutes, that it is feasible, economically sound, and in the public interest, and if a majority of the voters voting on the proposition vote in favor of the adoption of the additional purpose pursuant to Section 61601, the district may enforce the covenants, conditions, and restrictions adopted for each tract within the boundaries of the district, and assume the duties of

the architectural control committee for each tract within the boundaries of the district and for other tracts as may be annexed from time to time, for the purpose of maintaining uniform standards of development within the district as adopted in the covenants, conditions, and restrictions. However, the district shall exercise the duties of an architectural control committee for any tract only to the extent authorized by the covenants, conditions, and restrictions applicable to the tract.

The power to carry on that activity may be divested in the same manner as the power was acquired.

For the purposes of this section, "tract" means any parcel of land for which the county has authorized development.

SEC. 2. Section 61601.17 is added to the Government Code, to read:

61601.17. Notwithstanding the provisions of Sections 61600 and 61601, whenever the Board of Directors of the Ranch House Estates Community Services District determines by resolution that it is feasible, economically sound, and in the public interest for the district to exercise its power for the purpose of enforcing the covenants, conditions, and restrictions adopted for each tract within the boundaries of the district, and to assume the duties of the architectural control committee for each tract within the boundaries of the district and for other tracts as may be annexed from time to time, for the purpose of maintaining uniform standards of development within the district as adopted in the covenants, conditions, and restrictions, the board shall adopt the additional purpose by resolution entered in the minutes and the power of the district may be exercised thereafter.

The board may thereafter divest the district of the power to carry on activities in the same manner as it may acquire the power.

For the purposes of this section, "tract" means any parcel of land for which the county has authorized development.

SEC. 3. Section 61601.19 is added to the Government Code, to read:

61601.19. Notwithstanding Section 61600 and 61601, whenever the Board of Directors of the Ranch House Estates Community Services District determines by resolution that it is feasible, economically sound, and in the public interest for the district to exercise its power for the purpose of constructing, improving, maintaining, or operating facilities for the collection, treatment, and disposal of sewage and waste water of inhabitants inside its boundaries, the board may adopt the additional purposes by resolution entered in the minutes, and the powers of the district may be exercised therefor.

The board may thereafter divest the district of the power to carry on activities in the same manner as it may acquire the power.

SEC. 4. Section 61765.11 is added to the Government Code, to read:

61765.11. Notwithstanding Section 61765, in the Descanso

Community Water District, the water standby or availability charge shall not exceed forty dollars ($40) per year for each acre of land on which the charge is levied or forty dollars ($40) per year for a parcel less than one acre.

This section, applicable only to the Descanso Community Water District, is necessary because of the unique and special water management and financing problems in the area included within the district.

SEC. 5. The Legislature finds and declares that the Ranch House Estates Community Services District, the Tenaja Community Services District, Brooktrails Community Services District, and the Descanso Community Water District have special needs to exercise the powers set forth in this act. The Legislature further finds and declares that this need is not common to all districts formed under the Community Services District Law. It is, therefore, hereby declared that a general law cannot be made applicable within the meaning of Section 16 of Article IV of the Constitution, and that the enactment of this act as a special law is necessary for the solution of problems existing in the Ranch House Estates Community Services District, the Tenaja Community Services District, the Brooktrails Community Services District, and the Descanso Community Water District.

CHAPTER 314

An act to amend Sections 71202 and 71203 of the Education Code, relating to community colleges.

[Approved by Governor July 14, 1986 Filed with Secretary of State July 15, 1986]

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

SECTION 1. (a) The Legislature finds that:

(1) The proper handling, including treatment, storage, transportation, and disposal of hazardous substances and hazardous waste is an area of increasing public concern.

(2) There is an ever-increasing need for workers with knowledge of the proper handling of hazardous substances and wastes, including applicable regulations, surveillance, monitoring and cleanup procedures, and industrial hygiene methodologies in both the public and private sectors.

(3) Training in basic hazardous substances and wastes information and emergency response techniques is currently being provided by many California community colleges offering fire technology curriculums.

(4) Community colleges are the appropriate institution to expand the instruction of the proper handling of hazardous substances to

nonfire service personnel.

(b) In enacting this act, it is the intent of the Legislature that the establishment and maintenance of in-service training programs involving hazardous substances and wastes receive high priority.

SEC. 2. Section 71202 of the Education Code is amended to read:

71202. (a) For the purposes of this article, a qualified in-service training program is one which provides all of the following:

(1) Addresses one or more vocational education curriculum areas that are affected by changing technology and workplace skills, including, but not limited to, the following:

(A) Culinary arts and food service.

(B) Hazardous substances and wastes management.

(2) Provides for a local contribution to match state funds through financial support or in-kind services. For the purposes of this paragraph, local matching funds may include, but not be limited to, funds received from any of the following:

(A) The federal Job Training Partnership Act.

(B) The Employment Training Panel.

(C) Business labor councils.

(D) The private sector.

(E) Private foundations.

(F) Local government entities.

(3) Is conducted at the worksite, or in specialized training facilities owned or operated by private industry or local government entities for the purposes of training.

(b) For purposes of this section, the only item of approved expenditure attributable to the state appropriation for this article shall be the stipends for the teacher or counselor and the 10 percent administration expenses. Approvable costs shall not include reimbursements to private industry for facilities or employer services.

SEC. 3. Section 71203 of the Education Code is amended to read:

71203. In selecting proposals to receive in-service training grants under this article, the chancellor shall ensure that all of the following criteria are met:

(a) The maximum amount that an individual district receives within a 12-month period shall not exceed one hundred thousand dollars ($100,000), except that multicollege districts may qualify to receive within a 12-month period an amount equal to fifty thousand dollars ($50,000) multiplied times the number of colleges within the district.

(b) The proposals selected shall reflect the diverse makeup of geographical regions, district sizes, and vocational education program offerings of the community college districts. The chancellor shall ensure, to the extent local applications are submitted for consideration, that culinary arts and food service programs receive a reasonable share of the in-service training grants.

The chancellor shall ensure, to the extent local applications are submitted for consideration, that in-service training programs for

hazardous substances and wastes management receive a share of the in-service training grant funds available for purposes of Section 71200 in proportion to the demand for in-service training programs in hazardous substances and wastes management compared with the demand for other in-service training programs under that article.

(c) The proposals selected shall reflect areas of greatest need, taking into consideration the projected demand for skilled employees in particular occupational areas as well as the prior in-service training, coursework, and work experience of instructors and counselors in all vocational education curriculum areas who are eligible to participate in the program.

CHAPTER 315

An act to amend and renumber Section 52314.5 of, and to add Article 1.5 (commencing with Section 52335) to Chapter 9 of Part 28 of, the Education Code, relating to school attendance, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 14, 1986 Filed with Secretary of State July 15, 1986]

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

SECTION 1. Section 52314.5 of the Education Code, as added by Chapter 1073 of the Statutes of 1984, is amended and renumbered to read:

52314.6. (a) The average daily attendance of pupils enrolled in a regional occupational center or program pursuant to paragraph (2) of subdivision (b) of Section 52314 shall not exceed the following amount:

(1) Divide the enrollment of pupils under the age of 16 years in the regional occupational center or program in the 1982–83 fiscal year by three.

(2) Multiply the amount computed pursuant to paragraph (1) by 0.25.

(b) Not later than January 30, 1986, the Department of Education shall recommend to the Legislature and to the Department of Finance a process by which school personnel can identify those pupils under the age of 16 years that are appropriately served by regional occupational centers and programs.

SEC. 2. Article 1.5 (commencing with Section 52335) is added to Chapter 9 of Part 28 of the Education Code, to read:

Article 1.5. Apportionment of Funds for Regional Occupational Centers

52335. Commencing with the 1986–87 fiscal year, funds for

regional occupational centers and programs shall be apportioned in accordance with this article.

For purposes of this article, "ROC/P" shall mean regional occupational center or program.

52335.1. From funds appropriated in the annual Budget Act for that purpose, the Superintendent of Public Instruction shall apportion funds for ROC/Ps according to the following priorities:

(a) Apportionments for necessary small ROC/Ps pursuant to Section 52324.6.

(b) Apportionments for ROC/P revenue limits pursuant to Section 52335.2.

52335.2. The Superintendent of Public Instruction shall calculate a revenue limit for each ROC/P in the following manner:

(a) Calculate a base revenue limit per unit of average attendance for the current fiscal year by increasing the ROC/P's base revenue limit per unit of average daily attendance computed pursuant to this subdivision for the prior fiscal year by the percentage inflation adjustment specified in the Budget Act for the current fiscal year.

For the 1986–87 fiscal year, the base revenue limit per unit of average daily attendance for the prior year shall be deemed to be the base revenue limit per unit of average daily attendance calculated pursuant to paragraph (1) of subdivision (a) of provision 2 of Item 6100-102-001 of the Budget Act of 1985.

(b) Calculate a revenue limit per unit of average daily attendance for program growth by increasing the revenue limit per unit of average daily attendance for program growth computed pursuant to this subdivision for the prior fiscal year by the percentage inflation adjustment specified in the Budget Act for the current fiscal year.

For the 1986–87 fiscal year, the revenue limit per unit of average daily attendance for program growth for the prior fiscal year shall be deemed to be the revenue limit per unit of average daily attendance for program growth computed pursuant to paragraph (2) of subdivision (a) of provision 2 of Item 6100-102-001 of the Budget Act of 1985.

(c) Multiply the amount computed pursuant to subdivision (a) by the lesser of the ROC/P's annual units of average daily attendance for the current fiscal year or the ROC/P's annual units of average daily attendance for the 1982–83 fiscal year.

(d) Subtract the ROC/P's annual units of average daily attendance for the 1982–83 fiscal year from the ROC/P's annual units of average daily attendance for the current fiscal year and multiply the difference by the amount computed pursuant to subdivision (b). If the product computed pursuant to this subdivision is negative, it shall be deemed to be zero.

(e) Except as provided in Section 52335.3, the Superintendent of Public Instruction shall apportion to the ROC/P the sum of the amounts computed pursuant to subdivisions (c) and (d).

(f) The average daily attendance used for purposes of this section shall not include the average daily attendance in schools receiving

funding pursuant to Section 52324.6.

52335.3. The Superintendent of Public Instruction shall deduct from the amount computed pursuant to subdivision (e) of Section 52335.2 for each ROC/P operated by a county office of education any local revenue that would otherwise be deemed restricted and not available for expenditure in the current fiscal year pursuant to subdivision (e) of Section 2558. Any local revenue so deducted shall be used by the county office for support of the ROC/P.

52335.4. The Superintendent of Public Instruction shall determine each ROC/P's pro rata share of funded growth average daily attendance based on the percentage allowable growth in average daily attendance funded in the Budget Act for each of the fiscal years 1982–83 through the current fiscal year. An ROC/P's pro rata share of funded growth average daily attendance in each fiscal year shall not include excess growth average daily attendance as determined by the Superintendent of Public Instruction, regardless of whether the excess growth was funded.

52335.5. In the event that the funds appropriated for purposes of this article are insufficient to fully fund the apportionments herein authorized, the Superintendent of Public Instruction shall reduce the amounts computed pursuant to Section 52335.2 for each ROC/P based on equal amounts per unit of average daily attendance, consistent with the following priorities:

(a) First priority shall be given to fully funding average daily attendance that is less than or equal to the 1982–83 fiscal year average daily attendance.

(b) Second priority shall be given to fully funding each ROC/P's pro rata share of funded growth average daily attendance for each succeeding fiscal year determined pursuant to Section 52335.4 plus funded growth average daily attendance for ROC/Ps that had below average rates of participation and for ROC/Ps that experienced annexation of service territory not previously included in an ROC/P.

(c) Third priority shall be given to funding current year annual average daily attendance that exceeds the sum of the average daily attendance specified in subdivisions (a) and (b).

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

In order to implement the changes required by this act in the current fiscal year, it is necessary that this act take effect immediately.

CHAPTER 316

An act to add Section 12811.2 to the Public Utilities Code, relating to public utilities.

[Approved by Governor July 14, 1986. Filed with Secretary of State July 15, 1986.]

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

SECTION 1. It is the intent of the Legislature in enacting this act to enable municipal utility districts to provide effective financial relief to qualified needy customers who are temporarily unable to pay for essential public utility services furnished by the district. The Legislature finds and declares that the implementation of this act will fulfill essential public purposes and does not constitute a gift of public funds.

SEC. 2. Section 12811.2 is added to the Public Utilities Code, to read:

12811.2. (a) Notwithstanding any other provision of law, a district may establish a temporary relief program for assistance to needy customers of the district who are financially unable to pay in full bills for services furnished by the district within the normal period for payment thereof, and may expend funds, enter into contracts, and cooperate with and accept cooperation from any state or local public agency or private nonprofit organization in the implementation of such a program.

(b) As used in this section, "needy" means either of the following:

(1) A household with an income which does not exceed the greater of either (A) an amount equal to 150 percent of the poverty level of this state, as determined pursuant to paragraph (2) of subdivision (e) of Section 16367.5 of the Government Code, or (B) an amount equal to 60 percent of the state median income.

(2) A household with an income which meets guidelines for existing public assistance programs funded by the federal government.

CHAPTER 317

An act to amend Section 24343 of, and to add Sections 17133.5 and 24314 to, the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor July 14, 1986 Filed with Secretary of State July 15, 1986]

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

SECTION 1. Section 17133.5 is added to the Revenue and Taxation Code, to read:

17133.5. The following phrase (or its substantial equivalent) in other codes or statutes does not exempt the gain or loss from the sale or transfer of bonds from the provisions of this part:

"The issuance, transfer and interest income earned on any bonds issued by an agency (state or local) under this article (chapter, section, etc.) is exempt from taxation of every kind by any state or local entity."

SEC. 2. Section 24314 is added to the Revenue and Taxation Code, to read:

24314. The following phrase (or its substantial equivalent) in other codes or statutes does not exempt the gain or loss from the sale or transfer of bonds from the provisions of this part:

"The issuance, transfer and interest income earned on any bonds issued by an agency (state or local) under this article (chapter, section, etc.) is exempt from taxation of every kind by any state or local entity."

SEC. 3. Section 24343 of the Revenue and Taxation Code is amended to read:

24343. (a) There shall be allowed as a deduction all the ordinary and necessary expenses paid or incurred during the income year in carrying on any trade or business, including—

(1) A reasonable allowance for salaries or other compensation for personal services actually rendered, including, but not limited to, any payments, reimbursements, or contributions to employees for child care. For purposes of this section, "child care" means programs designed to provide or facilitate the provisions of care and nurture for children under the age of 15 while their parents or guardians are working or in training.

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

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

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

constitutes an illegal bribe or kickback (or would be unlawful under the laws of the United States) shall be upon the Franchise Tax Board to the same extent as it bears the burden of proof when the issue relates to fraud.

(2) No deduction shall be allowed under subdivision (a) for any payment (other than a payment described in paragraph (1)) made, directly or indirectly, to any person, if the payment constitutes an illegal bribe, illegal kickback, or other illegal payment under any law of the United States, or under any law of a state (but only if such state law is generally enforced), which subjects the payer to a criminal penalty or the loss of license or privilege to engage in a trade or business. For purposes of this paragraph, a kickback includes a payment in consideration of the referral of a client, patient, or customer. The burden of proof in respect of the issue, for purposes of this paragraph, as to whether a payment constitutes an illegal bribe, illegal kickback, or other illegal payment shall be upon the Franchise Tax Board to the same extent as it bears the burden of proof when the issue relates to fraud. However, a deduction shall not be disallowed under this paragraph, if, with respect to a payment described herein, the taxpayer in a court of competent jurisdiction is acquitted of making an illegal bribe, kickback, or payment.

(3) No deduction shall be allowed under subdivision (a) for any kickback, rebate, or bribe made by any provider of services, supplier, physician, or other person who furnishes items or services for which payment is or may be made under the Social Security Act, or in whole or in part out of federal funds under a state plan approved under such act, if such kickback, rebate, or bribe is made in connection with the furnishing of such items or services or the making or receipt of such payments. For purposes of this paragraph, a kickback includes a payment in consideration of the referral of a client, patient, or customer.

(c) No deduction shall be allowed under subdivision (a) for any contribution or gift which would be allowable as a deduction under Sections 24357, 24358, and 24359 were it not for the percentage limitations, or the requirements as to the time of payment, set forth in such sections.

(d) For purposes of this part, whenever the amount of capital contributions evidenced by a share of stock issued pursuant to Section 303(c) of the Federal National Mortgage Association Charter Act (12 U.S.C., Section 1718) exceeds the fair market value of the stock as of the issue date of such stock, the initial holder of the stock shall treat the excess as ordinary and necessary expenses paid or incurred during the income year in carrying on a trade or business.

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

(f) If in a criminal proceeding a taxpayer is convicted of a violation of the antitrust laws, or its plea of guilty or nolo contendere to an indictment or information charging such a violation is entered

or accepted in such a proceeding, no deduction shall be allowed under subdivision (a) for two-thirds of any amount paid or incurred—

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

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

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

(g) (1) The deduction allowed by subdivision (a) shall include all the ordinary and necessary expenses (including, but not limited to, traveling expenses described in paragraph (2) of subdivision (a) and the cost of preparing testimony) paid or incurred during the income year in carrying on any trade or business—

(A) In direct connection with appearances before, submission of statements to, or sending communications to, the committees, or individual members, or Congress or of any legislative body of a state, a possession of the United States, or a political subdivision of any of the foregoing with respect to legislation or proposed legislation of direct interest to the taxpayer, or

(B) In direct connection with communication of information between the taxpayer and an organization of which it is a member with respect to legislation or proposed legislation of direct interest to the taxpayer and to that organization, and that portion of the dues so paid or incurred with respect to any organization of which the taxpayer is a member which is attributable to the expenses of the activities described in subparagraphs (A) and (B) carried on by that organization.

(2) The provisions of paragraph (1) shall not be construed as allowing the deduction of any amount paid or incurred (whether by way of contribution, gift, or otherwise)—

(A) For participation in, or intervention in, any political campaign on behalf of any candidate for public office, or

(B) In connection with any attempt to influence the general public, or segments thereof, with respect to legislative matters, elections, or referendums.

(h) In the case of a transfer of property to which Section 83 of the Internal Revenue Code applies or a cancellation of a restriction described in Section 83(d) of the Internal Revenue Code, there shall be allowed as a deduction under this section, to the corporation or bank for whom were performed the services in connection with which that property was transferred, an amount equal to the amount

included under subsection (a), (b), or (d) (2) of Section 83 of the Internal Revenue Code (as incorporated by Section 17081) in the gross income of the person who performed those services. The deduction shall be allowed for the income year of that corporation or bank in which or with which ends the taxable year in which that amount is included in the gross income of the person who performed those services.

SEC. 4. Sections 1 and 2 of this act do not constitute a change in, but are declaratory of, the existing law.

SEC. 5. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect.

CHAPTER 318

An act to add Section 6520 to the Government Code, relating to justice facilities.

[Approved by Governor July 14, 1986 Filed with Secretary of State July 15, 1986.]

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

SECTION 1. The Legislature hereby finds and declares that jail and court overcrowding in the downtown San Diego area presents a case of utmost concern and immediate need of the people and San Diego, and that it is the obligation of the state to grant appropriate tools for the people of San Diego, acting through their board of supervisors and their city council, to cope with this problem.

SEC. 2. Section 6520 is added to the Government Code, to read:

6520. (a) Notwithstanding any other provision of law, the Board of Supervisors of San Diego County and the City Council of the City of San Diego may create by joint powers agreement, the San Diego Courthouse, Jail, and Related Facilities Development Agency, hereinafter referred to as "the agency," which shall have all the powers and duties of a redevelopment agency pursuant to Part 1 (commencing with Section 33000) of Division 24 of the Health and Safety Code as well as all the powers of a joint powers agency pursuant to this chapter, with respect to the acquisition, construction, improvement, financing, and operation of a combined courthouse-criminal justice facility, including a parking garage, and other related improvements, hereinafter referred to as "the facility."

(b) The agency shall be governed by a board of directors composed of one city council member and one citizen designated by the San Diego City Council; one supervisor and one citizen designated by the San Diego County Board of Supervisors; one citizen designated by the presiding judge of the municipal court, effective during his or her term of presidence; one citizen appointed by the presiding judge of the superior court effective during his or

her term of presidence; the Sheriff of San Diego County; the president or designee of the San Diego County Bar Association; and one citizen designated by the District Attorney of San Diego County; all of whom shall serve at the pleasure of the appointing power and without further compensation.

(c) The City of San Diego and the County of San Diego shall each have the power of nonconcurrence over any action taken by the board of directors, provided that a motion for reconsideration is made by a member of the board of directors immediately following the vote of the board of directors approving such action, and further provided that the city council or the board of supervisors votes to nullify such action, by a majority vote of its membership, within 30 days.

(d) The county may transfer to the agency county funds in either a Courthouse Temporary Construction Fund or a County Criminal Justice Facility Temporary Construction Fund, or both, to be expended for purposes of the facility.

(e) In addition to those funds, (1) the agency's governing body may allot up to 15 percent of the fines and forfeitures received by the City of San Diego pursuant to Section 1463 of the Penal Code from the service area of the downtown courts, as defined by the agency, for expenditure by the agency for the purposes specified in subdivision (a); (2) the City of San Diego and the County of San Diego may allot to the agency any state or federal funds received for purposes of the facility; and (3) the agency may expend any rent, parking fees, or taxes received on leasehold interests in the facility, for the purposes specified in subdivision (a).

CHAPTER 319

An act to amend Sections 58774, 58783, and 58784 of the Food and Agricultural Code, relating to marketing orders.

[Approved by Governor July 14, 1986 Filed with Secretary of State July 15, 1986.]

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

SECTION 1. Section 58774 of the Food and Agricultural Code is amended to read:

58774. The notice of hearing shall set forth all of the following:

(a) The date and place of the hearing.

(b) The commodity and the area which are covered by the proposed marketing order or the proposed amendments.

(c) A statement that the director will receive, at the hearing, testimony and evidence as to other necessary and relevant matters which are set forth in Article 7 (commencing with Section 58811).

SEC. 2. Section 58783 of the Food and Agricultural Code is

amended to read:

58783. At the hearing, the director shall receive, in addition to other necessary or relevant matters, evidence upon the matters which are set forth in Article 7 (commencing with Section 58811).

SEC. 3. Section 58784 of the Food and Agricultural Code is amended to read:

58784. At any public hearing which is held in connection with the formulation or amendment of a marketing order or marketing agreement, the director shall present testimony with respect to the procedure used to develop the official producer or handler list, as the case may be.

CHAPTER 320

An act to amend Section 25129 of the Government Code, relating to counties.

[Approved by Governor July 14, 1986 Filed with Secretary of State July 15, 1986]

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

SECTION 1. Section 25129 of the Government Code is amended to read:

25129. After the code has been adopted all ordinances thereafter adopted pertaining to the subjects in the code shall be amendatory or revisory of the code. No section or subsection of the code shall be revised or amended by reference. The ordinance section or subsection revised or amended shall be adopted and published in the manner prescribed in Section 25124. Nothing in this section shall preclude repealing or rendering inoperative by reference any section or subsection if language in the ordinance fairly identifies the subject matter of the sections or subsections which would be repealed or rendered inoperative by the ordinance.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the Legislature finds and declares that there are savings as well as costs in this act which, in the aggregate, do not result in additional net costs.

CHAPTER 321

An act to amend Sections 25351, 25356.2, 25356.3, 25356.4, 25356.6 and 25356.8 of, and to add Section 25356.10 to, the Health and Safety Code, relating to hazardous substance.

[Approved by Governor July 14, 1986. Filed with Secretary of State July 15, 1986]

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

SECTION 1. Section 25351 of the Health and Safety Code is amended to read:

25351. (a) Consistent with the requirements of Section 114(c) of the federal act (42 U.S.C. Sec. 9614(c)), moneys in the state account may be expended by the director, upon appropriation by the Legislature, for all of the following purposes:

(1) The costs and expenses reasonably necessary for, and incidental to, the administration of this chapter by the department.

(2) The state share mandated pursuant to Section 104(c)(3) of the federal act (42 U.S.C. Sec. 9604(c)(3)).

(3) The purchase by the state, or by any local agency with the prior approval of the director, of hazardous substance response equipment and other preparations for response to a release of hazardous substances. However, all equipment shall be purchased in a cost-effective manner after consideration of the adequacy of existing equipment owned by the state or the local agency, and the availability of equipment owned by private contractors.

(4) For payment of all costs of removal and remedial action incurred by the state, or by any local agency with the approval of the director in response to a release or threatened release of a hazardous substance to the extent the costs are not reimbursed by the federal act.

(5) For payment of all costs of actions taken pursuant to subdivision (b) of Section 25358.3, to the extent that these costs are not paid by the federal act.

(6) All costs incurred in cooperation with the Agency for Toxic Substances and Disease Registry established pursuant to Section 104(i) of the federal act (42 U.S.C. Sec. 9604(i)) and all costs of health effects studies undertaken regarding specific sites or specific substances at specific sites. Funds appropriated for this purpose shall not exceed five hundred thousand dollars ($500,000) in any single fiscal year. However, these actions shall not duplicate reasonably available federal actions and studies.

(7) Repayment of the principal of, and interest on, bonds sold pursuant to Article 7.5 (commencing with Section 25385).

(8) The reasonable and necessary costs and expenses of the Hazardous Substance Cleanup Arbitration Panel created pursuant to Section 25356.2.

(b) The director shall expend federal funds in the state account consistent with the requirements specified in Section 114 of the federal act (42 U.S.C. Sec. 9614), upon appropriation by the Legislature, for the purposes for which they were provided to the state.

(c) Moneys in the state account shall not be expended to conduct removal or remedial actions if any significant portion of the hazardous substances to be removed or remedied originated from a source outside of the state.

(d) Moneys in the state account may be expended, upon appropriation by the Legislature, to support the Toxic Substance Enforcement program in the office of the Attorney General in carrying out the purposes of this chapter.

On or before October 1 of each year, the Attorney General shall report to the Legislature on the expenditure of any funds appropriated to the office of the Attorney General pursuant to this subdivision for the preceding fiscal year.

SEC. 1.5. Section 25356.2 of the Health and Safety Code is amended to read:

25356.2. (a) There is hereby created in the Office of the Secretary of Environmental Affairs a Hazardous Substance Cleanup Arbitration Panel.

(b) The panel shall apportion liability for the costs of removal and remedial actions in accordance with Sections 25356.3 and 25356.4. All meetings of the panel are exempt from Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of, and Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of, the Government Code.

(c) The panel shall be comprised of independent private arbitrators who have applied to the Office of the Secretary of Environmental Affairs for membership on the panel. Panel members shall have (1) relevant arbitration background and (2) expertise in engineering, expertise in the physical, biological, or health sciences, or other relevant experience and qualifications. Three arbitrators shall be selected from the panel to apportion liability for a single hazardous waste site. A majority of the arbitrators selected for a single site may apportion liability for the panel under this chapter.

(d) The arbitrators shall be selected for an individual hazardous waste site as follows:

(1) One arbitrator shall be selected by the department or by the regional water quality control board.

(2) One arbitrator shall be selected by the potentially responsible party, or a majority of the potentially responsible parties, who have submitted to binding arbitration by the panel.

(3) The two arbitrators selected pursuant to paragraphs (1) and (2) shall jointly select a third arbitrator.

SEC. 2. Section 25356.3 of the Health and Safety Code is amended to read:

25356.3. (a) The department or the regional water quality

control board shall serve a copy by mail of the draft remedial action plan upon all potentially responsible parties identified in the plan. Within 15 days after the issuance of a final remedial action plan, any potentially responsible parties with aggregate alleged liability in excess of 50 percent of the costs of removal and remedial action, as set forth in the statement of reasons issued pursuant to subdivision (d) of Section 25356.1, but excluding any costs which are the subject of an agreement under which any party agrees to assume liability for those costs, may convene an arbitration proceeding by agreeing to submit to binding arbitration by the panel. If an arbitration panel is convened pursuant to this section, any other potentially responsible party may elect to submit to binding arbitration by the panel. Any person submitting to arbitration under this section shall agree not to contest the fact of liability in the arbitration. The panel shall, and the parties are entitled to, address the proper apportionment of liability pursuant to subdivision (b). Submission to arbitration under this section is not an admission of liability for any other purpose or in any other proceeding, including a subsequent arbitration proceeding concerning the same site. The department or the regional water quality control board, whichever issued the final remedial action plan, shall participate in the arbitration proceedings to the same extent as the potentially responsible parties which have submitted to the arbitration.

(b) The panel shall apportion liability for the costs of all removal and remedial actions specified in the final remedial action plan.

(c) In panel proceedings, liability for the costs of removal and remedial actions shall be apportioned among all identifiable potentially responsible parties regardless of whether those parties are before the panel or have otherwise been released, or are immune, from liability pursuant to this chapter or any other provision of law. The panel shall apportion liability based on all of the following criteria:

(1) The amount of hazardous substance for which each party may be responsible.

(2) The degree of toxicity of the hazardous substance.

(3) The degree of involvement of the potentially responsible parties in the generation, transportation, treatment, or disposal of the hazardous substance.

(4) The degree of care exercised by the potentially responsible parties with respect to the hazardous substances, taking into account the characteristics of the substance.

(5) The degree of cooperation by the potentially responsible parties with federal, state, and local officials to prevent harm to human health and the environment.

(d) The panel may issue subpoenas and subpoenas duces tecum to require attendance of a person or the production of documents, at the request of any person identified as potentially responsible in the remedial action plan, on its own motion, or at the request of the department or the appropriate regional water quality control board.

A person requesting a subpoena duces tecum shall comply with Section 1985 of the Code of Civil Procedure. The jurisdiction of subpoenas and subpoenas duces tecum issued by the panel extends to all parts of the state. The subpoenas and subpoenas duces tecum shall be served pursuant to Sections 1987 and 1988 of the Code of Civil Procedure.

If the panel determines that a person is refusing to respond to a subpoena or subpoena duces tecum, or is guilty of a misconduct during the arbitration and negotiation process, the panel shall certify the facts to the superior court of the county in which the site is located. The court shall thereupon issue an order directing the person to appear before the court and show cause why the person should not be punished for contempt pursuant to Section 1209 of the Code of Civil Procedure. The order and a copy of the certified statement shall be served on the person, and thereafter the court shall have jurisdiction of the matter. The same proceedings shall be followed, the same penalties may be imposed, and the person charged may be purged of contempt in the same way as if the person has committed a contempt in the trial of a civil action before a superior court.

After receipt of documents pursuant to a subpoena duces tecum, any party may request the panel for a continuance for a reasonable period of time to review the documents prior to proceeding with the arbitration. The panel may grant a continuance for that purpose upon a showing of good cause.

(e) This chapter does not require a regional water quality control board or the State Water Resources Control Board to engage in arbitration pursuant to this section or Section 25356.2 for any enforcement action taken pursuant to Division 7 (commencing with Section 13000) of the Water Code.

(f) The costs of conducting the arbitration shall be borne by the potentially responsible parties submitting to the arbitration pursuant to subdivision (a), except that any filing fees, witness fees, costs of discovery, or any other costs necessarily incurred by one party shall not be shared by any other party.

SEC. 3. Section 25356.4 of the Health and Safety Code is amended to read:

25356.4. (a) After making an apportionment of liability among the potentially responsible parties pursuant to Section 25356.3, the panel shall prepare a draft arbitration decision which contains a statement of reasons supporting the apportionment and shall circulate the draft arbitration decision for at least 30 days for public comment. After review and consideration of any public comment, the panel shall issue the final arbitration decision within 30 days after the comment period.

(b) Each potentially responsible party whose liability has been apportioned by the panel is liable to the department or the regional water quality control board for its apportioned share of the costs of all removal and remedial actions at the site which is the subject of

the final remedial action plan issued pursuant to Section 25356.1. The department or the regional water quality control board and one or more potentially responsible parties may enter into a cleanup agreement which is consistent with the remedial action plan and which provides for the satisfaction of the liability of a potentially responsible party by the party's performance of specified removal or remedial actions at the site.

(c) The moneys in the state account or the Hazardous Substance Cleanup Fund may be expended, upon appropriation by the Legislature, to pay any share of those potentially responsible parties who did not submit to binding arbitration pursuant to Section 25356.3 or did not otherwise agree to pay the costs of the removal and remedial actions specified in the remedial action plan.

(d) The department or the regional water quality control board shall identify, and the Attorney General shall pursue recovery from, those potentially responsible parties who have not submitted to binding arbitration pursuant to Section 25356.3 or who have not discharged their obligations required by the final arbitration decision or the cleanup agreement.

(e) Advances from the state account, upon appropriation by the Legislature, shall be made available, where appropriate, to those responsible parties who are required by a cleanup agreement to perform specified removal or remedial actions pursuant to the remedial action plan. Moneys from the Hazardous Substance Cleanup Fund may be expended by the department, upon appropriation by the Legislature, to make advances, where appropriate, to responsible parties who are required by a cleanup agreement to perform specified removal or remedial actions pursuant to the remedial action plan, for the purposes specified in Section 25385.6.

SEC. 4. Section 25356.6 of the Health and Safety Code is amended to read:

25356.6. (a) Notwithstanding any other provision of state law or any local ordinance or regulation, except as provided in subdivision (b), to encourage the prompt and effective cleanup of hazardous substance release sites, a potentially responsible party has no additional civil liability to any governmental entity under state or local law, for any prior acts or omissions associated with the conditions addressed in the remedial action plan which is the subject of the arbitration decision, if the potentially responsible party has submitted to binding arbitration and has discharged its obligations under the arbitration decision, either by paying that party's apportioned share of the costs of all removal and remedial actions to the department or the regional water quality control board, or by performing the specified removal and remedial actions pursuant to a cleanup agreement. The release from liability specified in this section is conditioned on complete implementation of the remedial action plan, including, where appropriate, adequate sampling, testing, and maintenance of the site to which the remedial action

plan is applicable to ensure that the level of cleanup required is achieved and maintained. However, this section does not affect the liability of any person for costs recoverable under Section 25352, unless these costs are specifically addressed in the arbitration decision or cleanup agreement. Where these costs are not addressed in the arbitration decision or cleanup agreement, the liability for these costs shall be determined pursuant to the applicable sections of this chapter and may be apportioned among the potentially responsible parties pursuant to Sections 25356.3 and 25356.4.

(b) The department, the regional water quality control board, any party to the arbitration decision, or any party substantially affected by the arbitration decision may petition the panel to modify the apportionment of liability in an arbitration decision. Upon a showing of a material change in the facts known to the parties to the arbitration decision at the time it was issued, the panel shall modify the apportionment of liability specified in the arbitration decision, as appropriate, to reflect these changed facts. Upon a showing of a material change in the facts known to the department at the time it issued the final remedial action plan, or the discovery of new facts, the department or regional board shall modify the remedial action plan, as appropriate, to reflect new or additional facts. The arbitration panel shall then modify its arbitration decision to reflect any modification of the remedial action plan made by the department.

(c) This section does not affect the existing rights of any individual to recover civil damages or to obtain equitable relief against any person, including a potentially responsible party, for physical injury or property damage caused by the release of hazardous substances at the site covered by the arbitration decision or at any other location.

(d) A party who has submitted to arbitration pursuant to this article and whose liability has been apportioned by the arbitration panel in an arbitration proceeding may seek indemnity from any other person liable for the party's apportioned share of the removal and remedial actions taken at a site which is the subject of the arbitration decision, including any department, agency contractor, or any other governmental agency. A potentially responsible party who does not submit to binding arbitration pursuant to this article, but whose liability has been apportioned in the arbitration decision and is subsequently found liable under this chapter has no right to indemnification for any removal or remedial action which is the subject of the arbitration decision from any party to that arbitration decision who has discharged its obligation under the arbitration decision or the cleanup agreement.

SEC. 5. Section 25356.8 of the Health and Safety Code is amended to read:

25356.8. (a) Judicial review of the arbitration decision on the apportionment of liability is limited to a showing of fraud by a party to the arbitration proceeding or an abuse of discretion by the panel,

or both.

(b) Judicial review of a decision by the department or the regional water quality control board modifying the remedial action plan pursuant to subdivision (b) of Section 25356.6 shall be conducted pursuant to Section 1085 of the Code of Civil Procedure and the standard of review shall be the same as that specified in subdivision (f) of Section 25356.1.

SEC. 6. Section 25356.10 is added to the Health and Safety Code, to read:

25356.10. The Office of the Secretary of Environmental Affairs shall adopt, and may, from time to time, modify, revise, or repeal, regulations, consistent with this article, to implement the provisions of this article concerning arbitration proceedings. The regulations may include, but are not required to be limited to, all of the following:

(a) The method of initiating arbitration.

(b) The place of hearing, based upon the convenience of the parties.

(c) Procedures for the selection of neutral arbitrators.

(e) Procedure for conducting hearings.

(f) The providing of experts to assist the arbitrators if assistance is needed.

(g) Procedures for reimbursing the expenses which the panel incurs in conducting arbitrations.

CHAPTER 322

An act to amend Section 5350 of the Welfare and Institutions Code, relating to conservatorship.

[Approved by Governor July 14, 1986 Filed with Secretary of State July 15, 1986]

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

SECTION 1. Section 5350 of the Welfare and Institutions Code is amended to read:

5350. A conservator of the person, of the estate, or of the person and the estate may be appointed for any person who is gravely disabled as a result of mental disorder or impairment by chronic alcoholism.

The procedure for establishing, administering and terminating conservatorship under this chapter shall be the same as that provided in Division 4 (commencing with Section 1400) of the Probate Code, except as follows:

(a) A conservator may be appointed for a gravely disabled minor.

(b) Appointment of a conservator under this part shall be subject to the list of priorities in Section 1812 of the Probate Code unless the

officer providing conservatorship investigation recommends otherwise to the superior court.

(c) No conservatorship of the estate pursuant to this chapter shall be established if a conservatorship or guardianship of the estate exists under the Probate Code. When a gravely disabled person already has a guardian or conservator of the person appointed under the Probate Code, the proceedings under this chapter shall not terminate the prior proceedings but shall be concurrent with and superior thereto. The superior court may appoint the existing guardian or conservator of the person or another person as conservator of the person under this chapter.

(d) The person for whom conservatorship is sought shall have the right to demand a court or jury trial on the issue whether he is gravely disabled. Demand for court or jury trial shall be made within five days following the hearing on the conservatorship petition. If the proposed conservatee demands a court or jury trial before the date of the hearing as provided for in Section 5365, such demand shall constitute a waiver of the hearing.

Court or jury trial shall commence within 10 days of the date of the demand, except that the court shall continue the trial date for a period not to exceed 15 days upon the request of counsel for the proposed conservatee.

This right shall also apply in subsequent proceedings to reestablish conservatorship.

(e) Conservatorship investigation shall be conducted pursuant to this part and shall not be subject to Section 1826 or Chapter 2 (commencing with Section 1850) of Part 3 of Division 4 of the Probate Code.

(f) Notice of proceedings under this chapter shall be given to a guardian or conservator of the person or estate of the proposed conservatee appointed under the Probate Code.

(g) As otherwise provided in this chapter.

CHAPTER 323

An act to amend Section 5151 of the Welfare and Institutions Code, relating to mental health.

[Approved by Governor July 14, 1986 Filed with Secretary of State July 15, 1986]

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

SECTION 1. Section 5151 of the Welfare and Institutions Code is amended to read:

5151. If the facility for 72-hour treatment and evaluation admits the person, it may detain him or her for evaluation and treatment for a period not to exceed 72 hours. Saturdays, Sundays, and holidays

may be excluded from the 72-hour period if the Department of Mental Health certifies for each facility that evaluation and treatment services cannot reasonably be made available on those days. The certification by the department is subject to renewal every two years. The department shall adopt regulations defining criteria for determining whether a facility can reasonably be expected to make evaluation and treatment services available on Saturdays, Sundays, and holidays.

Prior to admitting a person to the facility for 72-hour treatment and evaluation pursuant to Section 5150, the professional person in charge of the facility or his or her designee shall assess the individual in person to determine the appropriateness of the involuntary detention.

If in the judgment of the professional person in charge of the facility providing evaluation and treatment, or his or her designee, the person can be properly served without being detained, he or she shall be provided evaluation, crisis intervention, or other inpatient or outpatient services on a voluntary basis.

Nothing in this section shall be interpreted to prevent a peace officer from delivering individuals to a designated facility for assessment under Section 5150. Furthermore, the preadmission assessment requirement of this section shall not be interpreted to require peace officers to perform any additional duties other than those specified in Sections 5150.1 and 5150.2.

SEC. 2. Reimbursement to local agencies and school districts for costs mandated by the state pursuant to this act shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code and, if the statewide cost of the claim for reimbursement does not exceed five hundred thousand dollars ($500,000), shall be made from the State Mandates Claims Fund.

CHAPTER 324

An act to amend Section 23186 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor July 14, 1986. Filed with Secretary of State July 15, 1986]

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

SECTION 1. Section 23186 of the Revenue and Taxation Code is amended to read:

23186. (a) Except as otherwise provided in this section, the rate of tax on banks and financial corporations shall be a percentage equal to the percentage of the total amount of net income, allocable to this state, of every corporation taxable under Section 23151 or subdivision

(c) of Section 23151.1 or paragraph (1) of subdivision (d) of Section 23151.1, as the case may be, other than public utilities as defined in the Public Utilities Act, for the next preceding calendar year or fiscal years ended during such calendar year, required to be paid to this state as franchise taxes according to or measured by such net income, and required to be paid to this state or its political subdivisions by such corporations as personal property taxes during the preceding calendar year or fiscal years ended in such calendar year; provided, however, that said rate of tax shall not exceed 13 percent. The percentage of the net income of every corporation taxable under Section 23151, or subdivision (c) of Section 23151.1, or paragraph (1) of subdivision (d) of Section 23151.1, as the case may be, other than public utilities as defined in the Public Utilities Act, required to be paid to this state or its political subdivisions in personal property taxes shall be determined by ascertaining the ratio which the total amount of such personal property taxes, less 9 percent thereof, bears to the total amount of net income of such corporations allocable to California, increased by the amount of such personal property taxes; provided, however, that if any such corporation sustains a net loss allocable to California the personal property taxes required to be paid by such corporation to this state or its political subdivisions during the preceding calendar year or fiscal year ended during such calendar year shall be considered for the purpose of determining such ratio only to the extent which such personal property taxes exceed such net loss allocable to California.

(b) The rate of tax on banks and financial corporations for income years ending in 1980, 1981, 1982, 1983, and 1984 shall be as follows:

(1)	1980	11.6 percent
(2)	1981	11.6 percent
(3)	1982	10.907 percent
(4)	1983	10.907 percent
(5)	1984	10.930 percent

(c) For income years ending in 1985 and thereafter, the rate of tax on banks and financial corporations shall be a percentage equal to the percentage of the total amount of net income, allocable to this state, of every corporation taxable under Article 2 (commencing with Section 23151) of this chapter, other than public utilities as defined in the Public Utilities Act, for the next preceding calendar year or fiscal years ended during such calendar year, required to be paid to this state as franchise taxes according to or measured by such net income, and required to be paid to this state or its political subdivisions by such corporations as personal property taxes and business license taxes during the preceding calendar year or fiscal years ended in such calendar year; provided, however, that said rate of tax shall not exceed 12 percent. The percentage of the net income of every corporation taxable under Article 2 (commencing with Section 23151) of this chapter, other than public utilities as defined

in the Public Utilities Act, required to be paid to this state or its political subdivisions in personal property taxes and business license taxes shall be determined by ascertaining the ratio which the total amount of such personal property taxes and business license taxes, less the rate prescribed in Section 23151, bears to the total amount of net income of such corporations allocable to California, increased by the amount of such personal property taxes and business license taxes; provided, however, that if any such corporation sustains a net loss allocable to California the personal property taxes and business license taxes required to be paid by such corporation to this state or its political subdivisions during the preceding calendar year or fiscal years ended during such calendar year shall be considered for the purpose of determining such ratio only to the extent which such personal property taxes and business license taxes exceed such net loss allocable to California. Total amounts of net income shall be determined without regard to deductions attributable to carryover or carryback of net operating losses (if any).

(d) For income years ending in 1982 and thereafter, for the purposes of subdivision (c), the total amount of personal property taxes and business license taxes required to be paid during the income year shall be based on a statistical sample by the Franchise Tax Board, consisting of all of the following:

(1) Every corporation with a net income determined without regard to deductions attributable to carryover or carryback of net operating losses (if any) of more than five million dollars ($5,000,000) for the income year.

(2) Every corporation required to pay one hundred thousand dollars ($100,000) or more of personal property tax or business license tax, or a combination thereof, during the income year.

(3) Two percent or more of all other corporations on a random basis.

For the purposes of this subdivision, "corporation" means a corporation taxable under Article 2 (commencing with Section 23151), other than public utilities as defined in the Public Utilities Act.

(e) For the purpose of verifying local business license taxes reported by corporations taxable under Article 2 (commencing with Section 23151), other than public utilities as defined in the Public Utilities Act, the Franchise Tax Board is authorized to receive source information listings directly from the cities as to the amount of business license taxes paid and the date of payment for each taxpayer subject to the business license tax, notwithstanding any city ordinance prohibiting that disclosure.

(f) If, after notice and demand by the Franchise Tax Board, a taxpayer declines or refuses to furnish the Franchise Tax Board with information regarding personal property taxes, business license taxes, or net income required to determine the rate of tax on banks and financial corporations as provided by this section, then in that event, unless the failure is due to reasonable cause, the Franchise Tax

Board shall disallow any deductions claimed by a taxpayer for the applicable period for personal property taxes and business license taxes and a penalty of five thousand dollars ($5,000) shall be assessed.

(g) The Franchise Tax Board shall redetermine the rate of tax for banks and corporations determined in 1979 (and 1980 if applicable), taking into account additional local tax billings prior to January 1, 1982, resulting from the final court decision not to uphold the application of the tax rate provided by Article XIII A of the Constitution to the 1978–79 unsecured roll. Any additional taxes resulting from the redetermined rate will be due and payable within 30 days of mailing of a notice and demand by the Franchise Tax Board. In making the redetermination, the Franchise Tax Board shall utilize the statistical sampling method provided in subdivision (e), except that business license taxes shall not be taken into account.

SEC. 2. Interest on refunds of taxes resulting from the rate applicable to income years ended in 1983 as provided by this act shall be allowed pursuant to Section 26080 of the Revenue and Taxation Code.

SEC. 3. In 1979, several amendments were made to Section 23186 of the Revenue and Taxation Code by Chapter 1150 of the Statutes of 1979. One of the amendments required the Franchise Tax Board to determine the annual bank tax rate with historical data rather than data for the current income year. The change was effective for income years ending in 1982 and thereafter. The change was not noticed by the Franchise Tax Board until 1985, and at that time, the rate for 1982 and 1983 had already been determined by the Franchise Tax Board using current, rather than historical data. The rates were determined after notice and public hearings were held in which the public and banking/financial industry were invited to inspect and question the data base.

The discovery by the Franchise Tax Board in 1985 was immediately communicated to all interested parties and the 1984 rate was thereafter determined by the Franchise Tax Board using historical rather than current data, in compliance with the 1979 amendment.

As the Franchise Tax Board had determined the 1983 rate using current (1983) data, the 1983 data was already available so it was used again to determine the 1984 rate. This rate, 10.930 percent is the rate reflected in Section 23186 of the Revenue and Taxation Code for income years ending in 1984, as provided by this act.

For income years ending in 1983, the available 1982 data (already used to determine the 1982 rate) would result in a rate for income years ending in 1983 of 10.907 percent, which is the rate reflected in Section 23186 of the Revenue and Taxation Code for income years ending in 1983, as provided by this act.

For income years ending in 1982, there is no available 1981 data because for that year the rate was statutorily set at 11.6 percent, so there was no need to collect data for that year to determine the rate. Collecting sufficient 1981 data to determine the 1982 bank tax rate

will be difficult, if not impossible to do. Some taxpayer records have been destroyed. Collection of the necessary data will be very burdensome on general corporations and will result in significant administration costs for the Franchise Tax Board. At best, only incomplete data could be used to determine the 1982 rate. As time passes, the difficulty of obtaining the necessary data increases rapidly. As an alternative to recomputing the 1982 bank tax rate based on incomplete data, the 1982 rate already determined by the Franchise Tax Board based on current data is within a reasonable historical experience projection range. That rate, 10.907 percent, is therefore the rate reflected in Section 23186 of the Revenue and Taxation Code for income years ending in 1982, as provided by this act.

The Legislature therefore finds and declares that because of the difficulty, if not impossibility, of collecting the data necessary to determine the 1982 bank tax rate with reasonable accuracy, and because of the resulting burden on general corporations and the administration expense of the Franchise Tax Board, it is in the best interest of the state to statutorily set the bank tax rate for income years ending in 1982 as 10.907 percent.

SEC. 4. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect.

CHAPTER 325

An act to amend Section 27459 of the Vehicle Code, relating to vehicles.

[Approved by Governor July 14, 1986 Filed with Secretary of State July 15, 1986]

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

SECTION 1. Section 27459 of the Vehicle Code is amended to read:

27459. No person shall operate any motor vehicle, trailer or semitrailer upon any portion of a highway without tire chains when that portion of the highway is signed for the requirement of tire chains. In any case where a passenger vehicle or motortruck having an unladen weight of 6,000 pounds or less may be required by the Department of Transportation or local authorities to be equipped with tire chains, the chains shall be placed on at least two drive wheels, or the department or local authorities may provide, in the alternative, that the vehicle may be equipped with snow-tread tires on at least two drive wheels when the weather and surface conditions at the time are such that the stopping, tractive, and cornering abilities of the snow-tread tires are adequate. The snow-tread tires shall be of a type and design manufactured for use on snow as a

replacement for tire chains, shall be in good condition, and shall bear the marking of M-S, M/S, or other marking indicating that the tire was manufactured for use on snow, or, in the case of tires purchased before January 1, 1987, shall either bear the markings or, in the opinion of the inspecting officer, comply with the tread pattern requirements of Section 558.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

CHAPTER 326

An act to amend Section 14087.21 of the Welfare and Institutions Code, relating to the medical assistance program, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 14, 1986. Filed with Secretary of State July 15, 1986.]

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

SECTION 1. It is the intent of the Legislature that access to services for severely handicapped children under the Robert W. Crown California Children's Services Act (Article 2 (commencing with Section 248) of Chapter 2 of Part 1 of Division 1 of the Health and Safety Code) as currently provided under Medi-Cal shall be protected during the pilot project status of the experimental Medi-Cal capitation programs, expanded choice of health care plans and county health systems.

No later than March 30, 1988, the California Medical Assistance Commission, in consultation with the State Department of Health Services shall conduct a study to determine the effect of including crippled children's services in capitation programs while continuing to ensure that crippled children in California are served appropriately.

SEC. 2. Section 14087.21 of the Welfare and Institutions Code is amended to read:

14087.21. Commencing November 1, 1984, reimbursement to children's hospitals shall be on a basis that reflects the relative severity of pediatric diagnostic case types. For the purposes of this section, "children's hospital" means those hospitals where 30 percent of the infants and children served by the single institution qualify for Medi-Cal payment systems, and the institution serves primarily children.

The commission shall report to the Legislature by March 30, 1989,

on its findings on the reimbursement methodology based on case mix adjustments under the provisions of this section.

This section shall remain in effect until November 1, 1989, and as of that date is repealed, unless a later enacted statute, which is chaptered before that date, changes or eliminates that date.

SEC. 3. (a) The California Medical Assistance Commission, in consultation with the State Department of Health Services, shall conduct a study to determine the effect of including crippled children's services-eligible conditions in Medi-Cal capitation programs. This study shall also assess the utilization of crippled children's services eligible under the Medi-Cal program in San Mateo County. The commission shall report to the Legislature on the results of the study on or before March 30, 1988.

(b) The study shall include, but not be limited to, all of the following:

(1) A review of the feasibility of applying the pediatric diagnostic case type reimbursement methodology, as set forth in Section 14087.21 of the Welfare and Institutions Code, for the purposes of including crippled children's services in capitation proposals.

(2) A review, evaluation, and report of the effects on crippled children and their families of the inclusion of crippled children's services-eligible conditions within the Santa Barbara Health Initiative and the San Mateo County Organized Health System.

(c) The study may include a review, evaluation, and report of other publicly funded programs which have elected to include or exclude crippled children's services-eligible conditions within Medi-Cal capitation projects.

SEC. 4. (a) Services in experimental Medi-Cal capitation programs, expanded choice health care plans, and county health systems for children having a crippled children's services-eligible condition shall be reimbursed under the currently existing state crippled children's services and crippled children's services/Medi-Cal payment systems until March 30, 1988, except for the pediatric reimbursement methodology as set forth in Section 2 of this act, when the California Medical Assistance Commission has reported the results of the study required by Section 3 of this act, and recommendations have been made to the Legislature with respect to the effect of the inclusion of crippled children's services-eligible conditions in Medi-Cal capitation programs.

(b) This section shall not apply to the Santa Barbara County Health Initiative, unless otherwise requested by the Santa Barbara County Health Initiative and approved by the State Department of Health Services.

(c) This section shall not apply to the San Mateo County Organized Health System unless otherwise requested by the San Mateo County Organized Health System and approved by the California Medical Assistance Commission.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within

the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

Procedures for negotiating contracts to provide health care to Medi-Cal recipients on a capitated prepaid basis by July 1986, and the children's hospitals of the state will be adversely affected unless the effects of including or excluding crippled children's services in Medi-Cal eligibility conditions in pilot capitation proposals is quantitatively considered in negotiating contracts along with other factors included in this act.

CHAPTER 327

An act to amend Sections 50078, 50078.2, 50078.3, 50078.4, 50078.15, 50078.17, and 50078.18 of, the Government Code, relating to fire suppression assessments.

[Approved by Governor July 14, 1986. Filed with Secretary of State July 15, 1986.]

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

SECTION 1. Section 50078 of the Government Code is amended to read:

50078. Any local agency which provides fire suppression services directly or by contract with the state or a local agency may, by ordinance or by resolution adopted after notice and hearing, determine and levy an assessment for fire suppression services pursuant to this article. The assessment may be made for the purpose of obtaining, furnishing, operating, and maintaining fire suppression equipment or apparatus or for the purpose of paying the salaries and benefits of firefighting personnel, or both, whether or not fire suppression services are actually used by or upon a parcel, improvement, or property.

SEC. 2. Section 50078.2 of the Government Code is amended to read:

50078.2. (a) The ordinance or resolution shall establish uniform schedules and rates based upon the type of use of property and the risk classification of the structures or other improvements on, or the use of, the property. The risk classification may include, but need not be limited to, the amount of water required for fire suppression on that property, the structure size, type of construction, structure use, and other factors relating to potential fire and panic hazards and the costs of providing the fire suppression by the district to that property. The assessment shall be related to the benefits to the property assessed.

(b) The benefit assessment levies on land devoted primarily to agricultural, timber, or livestock uses, and being used for the commercial production of agricultural, timber, or livestock products,

shall be related to the relative risk to the land and its products. The amount of the assessment shall recognize normal husbandry practices that serve to mitigate risk, onsite or proximate water availability, response time, capability of the fire suppression service, and any other factors which reflect the benefit to the land resulting from the fire suppression service provided. A benefit assessment shall not be levied for wildland or watershed fire suppression on land located in a state responsibility area as defined in Section 4102 of the Public Resources Code. This subdivision is not applicable to any benefit assessment levied prior to January 1, 1984, on land devoted primarily to agricultural, timber, or livestock uses.

SEC. 3. Section 50078.3 of the Government Code is amended to read:

50078.3. Any ordinance or resolution adopted by a local agency pursuant to this article establishing uniform schedules and rates for assessments for fire suppression services which substantially conforms with the model ordinance which the State Fire Marshal is authorized to adopt pursuant to Section 13111 of the Health and Safety Code shall be presumed to be in compliance with the requirements of Section 50078.2.

SEC. 4. Section 50078.4 of the Government Code is amended to read:

50078.4. The legislative body of the local agency shall cause to be prepared and filed with the clerk of the local agency a written report which shall contain all of the following:

(a) A description of each lot or parcel of property proposed to be subject to the assessment.

(b) The amount of the assessment for each lot or parcel for the initial fiscal year.

(c) The maximum amount of the assessment which may be levied for each lot or parcel during any fiscal year.

(d) The duration of the assessment.

(e) The basis of the assessment.

(f) The schedule of the assessment.

SEC. 5. Section 50078.15 of the Government Code is amended to read:

50078.15. If no protests or objections in writing have been delivered to the clerk up to the hour set for hearing thereon, or if valid protests have been found by the legislative body to be less than 5 percent of the total amount of expected revenue, the legislative body may, upon the conclusion of the hearing, adopt, revise, change, reduce, or modify each or any assessment. The legislative body shall make a determination upon each assessment as described in the report or as determined at the hearing, and thereafter, by ordinance or resolution, shall determine and levy the assessment.

SEC. 6. Section 50078.17 of the Government Code is amended to read:

50078.17. Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure applies to any judicial action

or proceeding to validate, attack, review, set aside, void, or annul an ordinance or resolution levying an assessment or modifying or amending an existing ordinance or resolution.

If an ordinance or resolution provides for an automatic adjustment in an assessment, and the automatic adjustment results in an increase in the amount of an assessment, any action or proceeding to attack, review, set aside, void, or annul the increase shall be commenced within 90 days of the effective date of the increase.

Any appeal from a final judgment in the action or proceeding brought pursuant to this section shall be filed within 30 days after entry of the judgment.

SEC. 7. Section 50078.18 of the Government Code is amended to read:

50078.18. This article shall remain in effect only until January 1, 1991, and as of that date is repealed, unless a later enacted statute which is chaptered before January 1, 1991, deletes or extends that date.

SEC. 8. No reimbursement shall be made from the State Mandates Claims Fund pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code for costs mandated by the state pursuant to this act. It is recognized, however, that a local agency or school district may pursue any remedies to obtain reimbursement available to it under Part 7 (commencing with Section 17500) and any other provisions of law.

CHAPTER 328

An act to amend Sections 22523, 22651, and 42001.5 of the Vehicle Code, relating to vehicles.

[Approved by Governor July 14, 1986 Filed with Secretary of State July 15, 1986]

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

SECTION 1. Section 22523 of the Vehicle Code is amended to read:

22523. (a) No person shall abandon a vehicle upon any highway.

(b) No person shall abandon a vehicle upon public or private property without the express or implied consent of the owner or person in lawful possession or control of the property.

(c) Any person convicted of a violation of this section shall be punished by a fine of not less than one hundred dollars ($100). No part of any fine imposed shall be suspended. The fine may be paid in installments if the court determines that the defendant is unable to pay the entire amount in one payment.

SEC. 2. Section 22651 of the Vehicle Code is amended to read:

22651. Any peace officer, as defined in Chapter 4.5 (commencing

with Section 830) of Title 3 of Part 2 of the Penal Code; or any regularly employed and salaried employee, who is engaged in directing traffic or enforcing parking laws and regulations, of a city or a county in which a vehicle is located may remove a vehicle from a highway located within the territorial limits in which the officer or employee may act under any of the following circumstances:

(a) When any vehicle is left unattended upon any bridge, viaduct, or causeway or in any tube or tunnel where the vehicle constitutes an obstruction to traffic.

(b) When any vehicle is parked or left standing upon a highway in a position so as to obstruct the normal movement of traffic or in a condition so as to create a hazard to other traffic upon the highway.

(c) When any vehicle is found upon a highway and a report has previously been made that the vehicle has been stolen or a complaint has been filed and a warrant thereon issued charging that the vehicle has been embezzled.

(d) When any vehicle is illegally parked so as to block the entrance to a private driveway and it is impractical to move the vehicle from in front of the driveway to another point on the highway.

(e) When any vehicle is illegally parked so as to prevent access by firefighting equipment to a fire hydrant and it is impracticable to move the vehicle from in front of the fire hydrant to another point on the highway.

(f) When any vehicle, except any highway maintenance or construction equipment, is stopped, parked, or left standing for more than four hours upon the right-of-way of any freeway which has full control of access and no crossings at grade and the driver, if present, cannot move the vehicle under its own power.

(g) When the person or persons in charge of a vehicle upon a highway are by reason of physical injuries or illness incapacitated to an extent so as to be unable to provide for its custody or removal.

(h) When an officer arrests any person driving or in control of a vehicle for an alleged offense and the officer is, by this code or other law, required or permitted to take, and does take, the person arrested before a magistrate without unnecessary delay.

(i) When any vehicle registered in a foreign jurisdiction or without a current California registration is found upon a highway and it is known to have been issued five or more notices of parking violation over a period of five or more days, to which the owner or person in control of the vehicle has not responded, the vehicle may be impounded until that person furnishes to the impounding law enforcement agency evidence of his or her identity and an address within this state at which he or she can be located and satisfactory evidence that bail has been deposited for all notices of parking violation issued for the vehicle. A notice of parking violation issued to the vehicle shall be accompanied by a warning that repeated violations may result in the impounding of the vehicle. In lieu of requiring satisfactory evidence that the bail has been deposited, the

impounding law enforcement agency may, in its discretion, issue a notice to appear for the offenses charged, as provided in Article 2 (commencing with Section 40500) of Chapter 2 of Division 17. In lieu of either furnishing satisfactory evidence that the bail has been deposited or accepting the notice to appear, that person may demand to be taken without unnecessary delay before a magistrate within the county in which the offenses charged are alleged to have been committed and who has jurisdiction of the offenses and is nearest or most accessible with reference to the place where the vehicle is impounded. Evidence of current registration shall be produced after a vehicle has been impounded or a notice to appear for violation of subdivision (a) of Section 4000 shall be issued to that person.

(j) When any vehicle is found illegally parked and there are no license plates or other evidence of registration displayed, the vehicle may be impounded until the owner or person in control of the vehicle furnishes the impounding law enforcement agency evidence of his or her identity and an address within this state at which he or she can be located.

(k) When any vehicle is parked or left standing upon a highway for 72 or more consecutive hours in violation of a local ordinance authorizing removal.

(*l*) When any vehicle is illegally parked on a highway in violation of any local ordinance forbidding standing or parking and the use of a highway or a portion thereof is necessary for the cleaning, repair, or construction of the highway, or for the installation of underground utilities, and signs giving notice that the vehicle may be removed are erected or placed at least 24 hours prior to the removal by local authorities pursuant to the ordinance.

(m) Wherever the use of the highway, or any portion thereof, is authorized by local authorities for a purpose other than the normal flow of traffic or for the movement of equipment, articles, or structures of unusual size, and the parking of any vehicle would prohibit or interfere with that use or movement, and signs giving notice that the vehicle may be removed are erected or placed at least 24 hours prior to the removal by local authorities pursuant to the ordinance.

(n) Whenever any vehicle is parked or left standing where local authorities, by resolution or ordinance, have prohibited parking and have authorized the removal of vehicles. No vehicle may be removed unless signs are posted giving notice of the removal.

(o) When any vehicle is found upon a highway with a registration expiration date in excess of one year before the date it is found on the highway. However, if the vehicle is occupied, only a peace officer, as defined in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2 of the Penal Code, may remove the vehicle For purposes of this subdivision, the vehicle shall be released to the owner or person in control of the vehicle only after the owner or person furnishes the storing law enforcement agency with proof of

current registration. In lieu of obtaining proof of current registration, the storing agency may, in its discretion, issue a notice to appear for the registration violation.

(p) When the peace officer issues the driver of a vehicle a notice to appear for a violation of Section 12500, 14601, 14601.1, or 14601.2 and there is no passenger in the vehicle who has a valid driver's license and authorization to operate the vehicle. Any vehicle so removed from the highway shall not be released to the registered owner or his or her agent except upon presentation of the registered owner's or his or her agent's currently valid driver's license to operate the vehicle or upon order of a court.

SEC. 3. Section 42001.5 of the Vehicle Code is amended to read:

42001.5. Every person convicted of an infraction for a violation of Section 22507.8 shall be punished by a fine of not less than fifty dollars ($50).

CHAPTER 329

An act to add Section 27316 to the Vehicle Code, relating to schoolbuses, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 15, 1986 Filed with Secretary of State July 15, 1986]

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

SECTION 1. Section 27316 is added to the Vehicle Code, to read:

27316. (a) The Department of the California Highway Patrol, with the advice of the State Department of Education, shall contract for a study by an independent expert on the appropriateness of requiring that all type 1 schoolbuses or school pupil activity buses be equipped with a set of safety belts for each passenger. The Department of the California Highway Patrol shall submit a report containing the results of the study to the Legislature on or before March 1, 1987, for evaluation by the Legislature.

(b) The study required under subdivision (a) shall include, but not be limited to, an examination of all of the following:

(1) The compatibility of schoolbus safety belts and the seat compartmentalization features added pursuant to Section 571.222 of Title 49 of the Code of Federal Regulations in schoolbuses designed for the use of safety belts.

(2) The effect of safety belts in buses built to Federal Motor Vehicle Safety Standards (49 C.F.R. Secs. 571.220, 571.221, and 571.222) on the frequency and severity of injuries and fatalities in schoolbus accidents.

(3) The effect of the inclusion of safety belts in school pupil activity buses which do not meet Federal Motor Vehicle Safety

Standards for schoolbuses.

(4) The relative effectiveness of safety belts in schoolbuses in reducing death and injury compared to other strategies for making a schoolbus ride safe for children.

SEC. 2. The sum of two hundred thousand dollars ($200,000) is hereby appropriated from the Driver Training Penalty Assessment Fund to the Department of the California Highway Patrol for the purposes of Section 27316 of the Vehicle Code.

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

In order to provide sufficient time for the study on how to provide safer schoolbuses for children, it is necessary that this act take effect immediately.

CHAPTER 330

An act to add Section 645.1 to the Evidence Code, relating to evidence.

[Approved by Governor July 15, 1986 Filed with Secretary of State July 15, 1986]

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

SECTION 1. Section 645.1 is added to the Evidence Code, to read:

645.1. Printed materials, purporting to be a particular newspaper or periodical, are presumed to be that newspaper or periodical if regularly issued at average intervals not exceeding three months.

CHAPTER 331

An act to amend Section 1095 of the Unemployment Insurance Code, relating to unemployment insurance.

[Approved by Governor July 15, 1986 Filed with Secretary of State July 15, 1986]

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

SECTION 1. Section 1095 of the Unemployment Insurance Code is amended to read:

1095. The director shall permit the use of any information in his or her possession to the extent necessary for any of the following purposes:

(a) To properly present a claim for benefits.

(b) To acquaint a worker or his or her authorized agent with his or her existing or prospective right to benefits.

(c) To furnish an employer or his or her authorized agent with information to enable him or her to fully discharge his or her obligations or safeguard his or her rights under this division or Division 3 (commencing with Section 9000). This subdivision, as it relates to Division 3 (commencing with Section 9000), applies only to subdivision (j) of this section.

(d) To enable an employer to receive a reduction in contribution rate.

(e) To enable the Director of Social Services or his or her representatives or the State Director of Health Services or his or her representatives, subject to federal law, to verify or determine the eligibility or entitlement of an applicant for, or a recipient of, public social services provided pursuant to the Welfare and Institutions Code, and directly connected with, and limited to, the administration of public social services.

(f) To enable county administrators of general relief or assistance, or their representatives, to determine entitlement to locally provided general relief or assistance, where the determination is directly connected with, and limited to, the administration of general relief or assistance.

(g) To enable county district attorneys, or their representatives, to seek criminal, civil, or administrative remedies in connection with the unlawful application for, or receipt of, relief provided under Division 9 (commencing with Section 10000) of the Welfare and Institutions Code.

(h) To enable the director or his or her representative to carry out his or her responsibilities under this code.

(i) To enable county departments of collection or their representatives to determine entitlement to medical assistance services rendered pursuant to Part 5 (commencing with Section 17000) of Division 9 of the Welfare and Institutions Code, and, when appropriate, to enable collection for the county's expenditures for these medical assistance services.

(j) To furnish an employer, or his or her authorized agent, with information including, but not limited to, the applicant's or recipient's name, social security number, address, employable skills, and job placement in order to enable him or her to fully discharge his or her obligations or safeguard his or her rights under the elements of a joint union, management, and Employment Development Department agreement as are deemed necessary to assist displaced workers to obtain new employment under the provisions of Chapter 2.9 (commencing with Section 9970) of Part 1 of Division 3 and related provisions of Division 3 (commencing with Section 9000). The information shall be limited to any information gathered under these divisions by the department and authorized for release by the labor organization which shall act as an agent for

the affected workers under terms of the agreement and shall participate in defining the information release provisions.

(k) To provide any law enforcement agency with the name, address, telephone number, birth date, social security number, and physical description of any person who has applied for or received benefits under this code, if an arrest warrant has been issued for the person for commission of a felony. The information shall be released to any law enforcement agency only upon a written request from the agency specifying that a warrant of arrest for the commission of a felony has been issued as to the applicant or recipient. This request may be made only by the head of the law enforcement agency, or by an employee of the agency so authorized and identified by name and title by the head of the agency in writing to the department. The department shall notify all applicants for benefits that release of confidential information from their records will not be protected should there be a felony arrest warrant issued against the applicant.

(1) This subdivision shall not be construed to authorize the release of a general list identifying individuals applying for or receiving benefits to any law enforcement agency.

(2) The provisions of this subdivision shall be operative only to the extent permitted by federal law and regulation, and to the extent the information is available and accessible within the constraints and configurations of existing department records.

(3) The department shall maintain records pursuant to this subdivision only for periods required under regulations or statutes enacted for the administration of its programs.

(*l*) Nothing in this section shall be construed to authorize or permit the use of information obtained in the administration of this code by any private collection agency.

(m) To provide the State Teachers' Retirement System, pursuant to Section 23910.3 of the Education Code, with information relating to the earnings of any person who is receiving a disability allowance from the State Teachers' Retirement System. The earnings information shall be released to the Teachers' Retirement Board only upon written request from the board specifying that the person is receiving a disability allowance from the system. The request may be made by the chief executive officer of the system or by an employee of the system so authorized and identified by name and title by the chief executive officer in writing.

(n) To provide the Public Employees' Retirement System, pursuant to Section 20143 of the Government Code, with information relating to the earnings of any person who is receiving a disability retirement allowance from the Public Employees' Retirement System. The earnings information shall be released to the Board of Administration of the system only upon written request from the board specifying that the person is receiving a disability retirement allowance from the system. The request may be made by the executive officer of the system or by an employee of the system so authorized and identified by name and title by the executive officer

in writing.

(o) To provide the University of California Retirement System with information in its possession relating to the earnings of any person who has applied for or is receiving disability income from the system. The earnings information shall be disclosed only upon written request from the system specifying that the person has applied for or is receiving disability income from the system. The request may be made by the chief administrative officer of the system or by an employee so authorized and identified by name and title by the chief administrative officer in writing. The system shall notify applicants for and recipients of disability income that earnings information from the department's records will be released upon the system's request. The information obtained pursuant to this subdivision shall be used or disclosed by the system only to determine or to verify entitlement to, or continuing eligibility for, disability income. The system shall reimburse the department for all reasonable administrative expenses incurred pursuant to this subdivision.

(p) To enable the Division of Labor Standards Enforcement in the Department of Industrial Relations to seek criminal, civil, or administrative remedies in connection with the failure to pay, or the unlawful payment of, wages pursuant to Chapter 1 (commencing with Section 200) of Part 1 of Division 2 of, and Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of, the Labor Code. The Division of Labor Standards Enforcement shall reimburse the department for all reasonable administrative expenses incurred pursuant to this subdivision.

CHAPTER 332

An act to add Section 48904.3 to the Education Code, relating to school districts.

[Approved by Governor July 15, 1986. Filed with Secretary of State July 15, 1986]

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

SECTION 1. Section 48904.3 is added to the Education Code, to read:

48904.3. (a) Upon receiving notice that a school district has withheld the grades, diploma, or transcripts of any pupil pursuant to Section 48904, any school district to which the pupil has transferred shall likewise withhold the grades, diploma, or transcripts of the pupil as authorized by that section, until such time as it receives notice, from the district that initiated the decision to withhold, that the decision has been rescinded under the terms of that section.

(b) Any school district that has decided to withhold a pupil's

grades, diploma, or transcripts pursuant to Section 48904 shall, upon receiving notice that the pupil has transferred to any school district in this state, notify the parent or guardian of the pupil in writing that the decision to withhold will be enforced as specified in subdivision (a).

(c) For purposes of this section and Section 48904, "school district" is defined to include any county superintendent of schools.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the Legislature finds and declares that there are savings as well as costs in this act which, in the aggregate, do not result in additional net costs.

CHAPTER 333

An act to amend Section 6812 of the Revenue and Taxation Code, relating to taxation.

[Approved by Governor July 15, 1986 Filed with Secretary of State July 15, 1986.]

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

SECTION 1. Section 6812 of the Revenue and Taxation Code is amended to read:

6812. (a) If the purchaser of a business or stock of goods fails to withhold purchase price as required, he or she becomes personally liable for the payment of the amount required to be withheld by him or her to the extent of the purchase price, valued in money.

(b) (1) Within 60 days after the latest of the dates specified in paragraph (2), the board shall either issue the certificate or mail notice, to the purchaser at his or her address as it appears on the records of the board, of the amount that must be paid as a condition of issuing the certificate.

(2) For purposes of paragraph (1), the latest of the following dates shall apply:

(A) The date the board receives a written request from the purchaser for a certificate.

(B) The date of the sale of the business or stock of goods.

(C) The date the former owner's records are made available for audit.

(c) Failure of the board to mail the notice referred to in subdivision (b) will release the purchaser from any further obligation to withhold purchase price as above provided. The time within which the obligation of the successor may be enforced shall start to run at the time the person sells out his or her business or stock of goods or at the time that the determination against the person becomes final whichever event occurs the later.

CHAPTER 334

An act to amend Section 27585 of the Government Code, relating to surveys.

[Approved by Governor July 15, 1986. Filed with Secretary of State July 15, 1986.]

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

SECTION 1. Section 27585 of the Government Code is amended to read:

27585. (a) For the limited purpose of financing the survey monument preservation fund pursuant to Section 27584, the board may impose a user fee, not to exceed ten dollars ($10), or an amount set pursuant to Section 54985, which shall be charged and collected by the county recorder, over and above any other fees required by law, as a condition precedent to the filing or recording of any grant deed conveying real property. Grant deeds conveying lots created by recorded tract maps shall be exempt from the user fee. Except as otherwise provided in subdivision (b), the fees shall be forwarded monthly by the county recorder to the county treasurer for deposit to the county survey monument preservation fund. Following the establishment of the fund, the board of supervisors may extinguish the fund if a finding is made by the board that the need for the fund no longer exists.

(b) Notwithstanding subdivision (a) or (c), if a city engineer of a city with a population of more than 1,500,000 persons conducts the survey pursuant to Section 27584, any user fees collected pursuant to subdivision (a) on and after January 1, 1987, with respect to any grant deed conveying real property located wholly within the city shall be transferred monthly by the county recorder to the city treasurer of the city to reimburse the city for the expenses incurred by the city engineer in conducting that survey.

(c) Notwithstanding Section 2231 of the Revenue and Taxation Code, and except as otherwise provided in subdivision (b), no funds collected by the county recorder for the survey monument preservation fund shall be transferred to, or deposited in, any other fund or used for any other purpose.

SEC. 2. The Legislature finds and declares that a general law cannot be made applicable and that a special statute applicable only to the City of Los Angeles is necessary within the meaning of Section 16 of Article IV of the California Constitution because the City of Los Angeles conducts the remonument surveys within its boundaries but current law precludes the city from receiving reimbursement for their costs from the County of Los Angeles.

CHAPTER 335

An act to amend Sections 5351, 5371, and 8000 of the Welfare and Institutions Code, relating to public social services.

[Approved by Governor July 15, 1986 Filed with Secretary of State July 15, 1986]

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

SECTION 1. Section 5351 of the Welfare and Institutions Code is amended to read:

5351. In each county or counties acting jointly under the provisions of Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code, the governing board shall designate the agency or agencies to provide conservatorship investigation as set forth in this chapter. The governing board may designate that conservatorship services be provided by the public guardian or agency providing public guardian services.

SEC. 2. Section 5371 of the Welfare and Institutions Code is amended to read:

5371. No person upon whom a duty is placed to evaluate, or who, in fact, does evaluate a conservatee for any purpose under this chapter shall have a financial or other beneficial interest in the facility where the conservatee is to be, or has been placed.

Conservatorship investigation and administration shall be conducted independently from any person or agency which provides mental health treatment for conservatees, if it has been demonstrated that the existing arrangement creates a conflict of interest between the treatment needs of the conservatee and the investigation or administration of the conservatorship. The person or agency responsible for the mental health treatment of conservatees shall execute a written agreement or protocol with the conservatorship investigator and administrator for the provision of services to conservatees. The agreement or protocol shall specify the responsibilities of each person or agency who is a party to the agreement or protocol, and shall specify a procedure to resolve disputes or conflicts of interest between agencies or persons.

SEC. 3. Section 8000 of the Welfare and Institutions Code is amended to read:

8000. In any county the board of supervisors may by ordinance create the office of public guardian and such subordinate positions as may be necessary and fix compensation therefor. The board of supervisors may appoint a public guardian to fill the office and provide for the appointment to the subordinate positions.

In appointing the public guardian, the board of supervisors may give preference to the person or agency providing public guardian services in each county. No person or agency shall be designated as

public guardian whose agency functions present real conflict with the functions of conservatorship investigation or administration.

The board of supervisors may also designate who shall be authorized as public representative payee, and designate the public guardian to collect such fees as may be authorized by the board of supervisors for public representative payee services.

CHAPTER 336

An act to amend Sections 1064.1, 3551, 3666, 5004, and 5195 of, to add Section 1076 to, and to repeal Sections 1063.5 and 3502.2 of, the Public Utilities Code, relating to carriers, and making an appropriation therefor.

[Approved by Governor July 15, 1986. Filed with Secretary of State July 15, 1986]

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

SECTION 1. Section 1063.5 of the Public Utilities Code is repealed.

SEC. 2. Section 1064.1 of the Public Utilities Code is amended to read:

1064.1. (a) A fee of one hundred fifty dollars ($150) shall be paid to the commission for filing each application to sell, mortgage, lease, assign, transfer, or otherwise encumber any certificate.

(b) A fee of one hundred fifty dollars ($150) shall be paid to the commission for filing each application to acquire or control a highway common carrier or cement carrier pursuant to Section 1076.

SEC. 3. Section 1076 is added to the Public Utilities Code, to read:

1076. No person or corporation, whether or not organized under the laws of this state, shall acquire or control either directly or indirectly any highway common carrier or cement carrier organized and doing business in this state without first securing authorization to do so from the commission. Any acquisition or control without that prior authorization is void and of no effect. No highway carrier organized and doing business under the laws of this state shall aid or abet any violation of this section.

SEC. 4. Section 3502.2 of the Public Utilities Code is repealed.

SEC. 5. Section 3551 of the Public Utilities Code is amended to read:

3551. No person or corporation, whether or not organized under the laws of this state, shall acquire or control either directly or indirectly any highway permit carrier organized and doing business in this state without first securing authorization to do so from the commission. Any acquisition or control without that prior authorization is void and of no effect. No highway carrier organized and doing business under the laws of this state shall aid or abet any

violation of this section.

SEC. 6. Section 3666 of the Public Utilities Code is amended to read:

3666. If any highway carrier other than a highway common carrier desires to perform any transportation or accessorial service at a lesser rate than the minimum established rates, the commission shall, upon finding that the proposed rate is reasonable, authorize the lesser rate for not more than one year.

SEC. 7. Section 5004 of the Public Utilities Code is amended to read:

5004. The following fees shall be paid to the commission with any application filed pursuant to the Highway Carriers' Act (Chapter 1 (commencing with Section 3501)):

(a) Five hundred dollars ($500) for filing each application for a permit, except applications for a seasonal permit.

(b) One hundred fifty dollars ($150) for filing each application to sell, mortgage, lease, assign, transfer, or otherwise encumber any permit, except that, for the transfer of each permit subsequent to the death of a permittee, and after court approval of the distribution of the estate or when it is not necessary to probate the will or distribute the estate through court, the fee is twenty-five dollars ($25).

(c) One hundred fifty dollars ($150) for filing each application to acquire or control a highway permit carrier pursuant to Section 3551.

(d) Twenty-five dollars ($25) for filing each application for issuance or renewal of a permit to operate as an agricultural carrier or livestock carrier on a seasonal basis, as authorized by Section 3584.2 or for issuance or renewal of a temporary dump truck carrier permit, as authorized by Section 3616.

SEC. 8. Section 5195 of the Public Utilities Code is amended to read:

5195. If any household goods carrier desires to perform any transportation or accessorial service at a lesser rate than the minimum established rates, the commission shall, upon finding that the proposed rate is reasonable, authorize the lesser rate for not more than one year.

CHAPTER 337

An act to amend Sections 17538 and 17538.3 of the Business and Professions Code, relating to sales.

[Approved by Governor July 15, 1986 Filed with Secretary of State July 15, 1986]

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

SECTION 1. Section 17538 of the Business and Professions Code is amended to read:

17538. (a) It is unlawful in the sale or lease or offering for sale or lease of goods or services, for any person conducting sales or leases by telephone, mail order, or catalog in this state, including, but not limited to, the offering for sale or lease on television, radio, or other telecommunications device of goods or services which may be ordered by mail, telephone, or other telecommunications device, or for any person advertising in connection with those sales, leases, or advertisements a mailing address or telephone number, to accept payment from or for a buyer, for the purchase or lease of goods or services ordered by mail, telephone, or other telecommunications device, whether payment to the vendor is made directly, through the mails, by means of a transfer of funds from an account of the buyer or any other person, or by any other means, and then permit 30 days, unless otherwise conspicuously stated in the offering or advertisement, or unless a shorter time is clearly communicated by the person conducting the sale or lease, to elapse without doing any one of the following things:

(1) Shipping, mailing, or providing the goods or services ordered.

(2) Mailing a full refund or, if payment was made by means of a transfer from an account, (A) crediting the account in the full amount of the debit, or (B) if a third party is the creditor, issuing a credit memorandum to the third party who shall promptly credit the account in the full amount of the debit.

(3) Sending the buyer a letter or other written notice (A) advising the buyer of the duration of an expected delay expressed as a specific number of days or weeks, or proposing the substitution of goods or services of equivalent or superior quality, and (B) offering to make a full refund, in accordance with paragraph (2), within one week if the buyer so requests. The vendor shall provide to the buyer a toll-free telephone number or other cost-free method to communicate the buyer's request for a full refund. If the vendor proposes to substitute goods or services, the vendor shall describe the substitute goods or services in detail, indicating fully how the substitute differs from the goods or services ordered.

(4) Shipping, mailing, or providing substitute goods or services of equivalent or superior quality, if the buyer is extended the opportunity to return the substitute goods or services and the vendor promises to refund to the buyer (A) the cost of returning the substitute goods or services and (B) any portion of the purchase price previously paid by the buyer. A notice to the buyer shall accompany the mailing, shipping, or providing of the substitute goods or services which informs the buyer of the substitution; describes fully how the substitute differs from the goods or services ordered, except that obvious nontechnical differences, such as color, need not be described; and discloses the buyer's right to reject the substitute goods or services and obtain a full refund of the amount paid, plus the cost of returning the substitute goods or services.

(b) For purposes of paragraphs (3) and (4) of subdivision (a), goods or services shall be considered of "equivalent or superior

quality" only if they are (1) substantially similar to the goods or services ordered, (2) fit for the usual purposes for which the goods or services ordered are used, and (3) normally offered by the vendor at a price equal to or greater than the price of the goods or services ordered.

(c) When a buyer makes an initial application for an open-end credit plan, as defined in the Federal Consumer Credit Protection Act (15 U.S.C. 1682), at the same time the goods or services are ordered, and the goods or services are to be purchased on credit, the person conducting the business shall have 50 days, rather than 30 days, to perform the actions specified in this section.

(d) As used in this section and Section 17538.3, the following words have the following meanings:

(1) "Goods" means tangible chattels, including certificates or coupons exchangeable for such goods, and including goods which, at the time of the sale or subsequently, are to be so affixed to real property as to become a part of such real property, whether or not severable therefrom.

(2) "Person" means an individual, partnership, corporation, association, or other group, however organized.

(3) "Buyer" means a person who seeks or acquires, by purchase or lease, any goods or services for any purpose.

(4) "Services" means work, labor, and services, including services furnished in connection with the sale or repair of goods.

(5) "Vendor" means a person who, as described in subdivision (a), vends, sells, leases, supplies, or ships goods or services, who conducts sales or leases of goods or services, or who offers goods or services for sale or lease.

(e) Any violation of the provisions of this section is a misdemeanor punishable by imprisonment in the county jail not exceeding six months, or by a fine not exceeding one thousand dollars ($1,000), or by both.

SEC. 2. Section 17538.3 of the Business and Professions Code is amended to read:

17538.3. The provisions of Section 17538 do not apply to any of the following:

(a) To instances in which all advertising for goods or services contains a notice as to each item or service offered, which, in the case of printed advertising, shall be in a type size at least as large as that indicating the price, that a delay may be expected of a specified period. In such cases, one of the events described in Section 17538 must occur no later than the expiration of the period specified in the advertisement.

(b) To goods or services, such as quarterly magazines, which by their nature are not ready for use or consumption until a future date and for that reason cannot be stocked at the time of order.

(c) To installments other than the first of goods, such as magazine subscriptions, ordered for serial delivery.

(d) To any telecommunications goods and services sold by a

telecommunications company, except those telecommunications goods and services purchased for use primarily for personal, family, or household purposes.

(e) To financial services offered in the ordinary course of business by a supervised bank, national banking association, bank holding company, or a subsidiary or affiliate thereof.

(f) To any delay in delivery of goods or services caused by the United States Post Office, an act of God, or a labor strike by the vendor's employees.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

CHAPTER 338

An act to add Section 34008 to, and to repeal Section 35942 of, the Food and Agricultural Code, relating to milk.

[Approved by Governor July 15, 1986 Filed with Secretary of State July 15, 1986]

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

SECTION 1. Section 34008 is added to the Food and Agricultural Code, to read:

34008. (a) All market milk and market milk products, and all milk for manufacturing purposes and manufactured milk products, shall be pasteurized at the plant where processed and packaged unless otherwise provided in this division.

(b) This section does not apply to any of the following:

(1) Licensed milk products plants that are used exclusively for the preparation of ice cream or ice milk that is manufactured on the premises from ice cream mix, ice milk mix, or premix that is supplied by a licensed milk products plant.

(2) Products sold through soft-serve establishments, including frozen yogurts and frozen dairy desserts.

(c) The director may, by regulation, provide for additional exemptions from this section.

(d) Upon a person demonstrating that immediate compliance with this section would cause undue economic hardship, the director may grant to that person an extension until July 1, 1988, to comply with this section.

SEC. 2. Section 35942 of the Food and Agricultural Code is repealed.

SEC. 3. No reimbursement is required by this act pursuant to

Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

CHAPTER 339

An act to amend Section 1063 of, and to repeal Section 1064.5 of, the Public Utilities Code, relating to public utilities.

[Approved by Governor July 15, 1986 Filed with Secretary of State July 15, 1986.]

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

SECTION 1. Section 1063 of the Public Utilities Code is amended to read:

1063. No common carrier shall begin to operate any motor vehicle, for the transportation of property for compensation on any public highway in this state without first having obtained from the commission a certificate declaring that public convenience and necessity require that operation. No certificate shall be required of any highway common carrier as to the fixed termini between which, or the route over which, it was actually operating as a highway common carrier on July 26, 1917, and in good faith continuously thereafter, or for the performance of pickup, delivery, or transfer services by the carrier within the carrier's lawfully published pickup and delivery zones insofar as the pickup and delivery limits do not include territory in excess of three miles from the corporate limits of any city or three miles from the post office of any unincorporated point.

For purposes of this section, "public convenience and necessity," as it affects applications for new, or extensions of existing, cement carrier certificates, means that the applicant has met the criteria for a cement contract carrier permit in Section 3623.

Any right, privilege, franchise, or permit held, owned, or obtained by any common carrier may be sold, leased, assigned, transferred, inherited, or otherwise encumbered as other property, only upon authorization of the transaction by the commission. Any transaction not made in accordance with the terms of the authorization is void. The commission shall not authorize the sale, lease, assignment, or transfer of a certificate unless the purchaser, lessor, assignee, or transferee meets the residence requirements of this section.

No certificate shall be issued unless it has been shown that the applicant meets one of the following residence requirements: If an individual, the applicant has resided in the State of California for not less than 90 days next preceding the filing of the application. If a

partnership, the partner having the largest percentage interest in the partnership has resided in the State of California continuously for not less than 90 days next preceding the filing of the application. If a corporation, the applicant shall be a domestic corporation or has qualified to transact business in the State of California as a foreign corporation at the time of filing the application.

SEC. 2. Section 1064.5 of the Public Utilities Code is repealed.

CHAPTER 340

An act to amend Sections 527 and 530 of the Health and Safety Code, relating to sanitarians, and making an appropriation therefor.

[Approved by Governor July 15, 1986 Filed with Secretary of State July 15, 1986.]

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

SECTION 1. Section 527 of the Health and Safety Code is amended to read:

527. (a) A nonreturnable application fee, as determined by the department upon the recommendation of the committee by a two-thirds vote, not to exceed one hundred dollars ($100) shall be paid by a person for each application for registration. Fees shall not exceed the actual administrative costs of the program. Fees shall be subject to the provisions of Section 113.

(b) A nonreturnable examination fee, as determined by the department upon the recommendation of the committee, not to exceed one hundred dollars ($100) shall be paid by a person for each application for examination.

(c) A nonreturnable biennial renewal fee, as determined by the department upon the recommendation of the committee by a two-thirds vote, not to exceed one hundred fifty dollars ($150) shall be paid by each registered sanitarian on or before the first day of January of every second year, or on any other date which is determined by the department. Each sanitarian registered pursuant to this article, shall first pay the biennial fee at the time of initial registration to cover the calendar year in which registration is acquired and the following calendar year. Fees shall not exceed the actual administrative costs of the program. Fees shall be subject to the provisions of Section 113.

(d) A nonreturnable biennial renewal fee, as determined by the department upon the recommendation of the committee by a two-thirds vote, not to exceed fifty dollars ($50) may be paid by a registered sanitarian who has retired and who meets all of the following requirements:

(1) Has been a working registered sanitarian in California for at least 10 years, unless receiving an on-the-job disability before the 10

years of service as a registered sanitarian has elapsed.

(2) Is at least 50 years old or collecting retirement, benefits, or both.

(3) Not working in a job requiring registration as a sanitarian. A person who pays only the fee determined pursuant to this subdivision or prescribed by paragraph (4) of subdivision (i) shall be registered only as an inactive retired sanitarian.

(e) Failure to pay any fee required under the provisions of this article shall be grounds for suspension of the registration. Continued delinquency for five years shall be grounds for revocation of registration.

(f) An additional penalty fee equal to 50 percent of the biennial renewal fee for each year of delinquency or portion thereof shall be paid by each person who fails to pay the fee required by subdivision (c) within 30 days of the established due date.

(g) The department shall receive and account for all money received pursuant to this article and shall deposit it with the Treasurer who shall keep the money in a separate fund to be known as "Sanitarian Registration Fund," which fund is hereby created.

(h) Notwithstanding Section 13340 of the Government Code, funds collected pursuant to the provisions of this article are continuously appropriated without regard to fiscal year to pay expenses of the department to administer the provisions of this article.

(i) The following interim fees are hereby established and shall remain in effect until the department adopts the necessary regulations pursuant to this section:

(1) A nonreturnable application fee of sixty dollars ($60).

(2) A nonreturnable examination fee equivalent to the actual cost of the examination not to exceed seventy-five dollars ($75).

(3) A nonreturnable biennial renewal fee of seventy-five dollars ($75).

(4) A nonreturnable, inactive retired sanitarian biennial renewal fee of twenty-five dollars ($25).

SEC. 2. Section 530 of the Health and Safety Code is amended to read:

530. (a) Notwithstanding any other provisions of this article, the department upon the recommendation of the committee may suspend or revoke a registration certificate issued under the provisions of this article after sufficient notice and an opportunity for a hearing and upon findings that the registered sanitarian has:

(1) Knowingly made a false statement of fact required to be revealed in the application for registration.

(2) Been convicted of a crime, if the crime is related to the qualifications, functions, and duties of a sanitarian.

(3) Knowingly made a false statement of fact required to be revealed in an application for, or renewal of, registration.

(4) Committed an act of deceit, misrepresentation, violation of contract, fraud, negligence, professional incompetence, or unethical

practice.

(5) Failed to pay required fees for renewal according to the provisions of this article.

(b) Proceedings for the suspension or revocation of registration under this chapter shall be in accordance with the provisions of Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, and the department shall have all the powers granted by those provisions. In the event of conflict between those provisions of the Government Code and the provisions of this article, the provisions of the Government Code shall prevail.

CHAPTER 341

An act to amend Section 61765 of the Government Code, relating to community services districts.

[Approved by Governor July 15, 1986. Filed with Secretary of State July 15, 1986]

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

SECTION 1. Section 61765 of the Government Code is amended to read:

61765. A district may fix, on or before the first day of August in each calendar year, a water standby or availability charge not to exceed ten dollars ($10) per year for each acre of land, or ten dollars ($10) per year for each parcel of land of less than an acre within the district to which water is made available for any purpose by the district, whether the water is actually used or not. The board of directors of a district which fixes the charge may establish schedules varying the charges depending upon factors such as the uses to which the land is put, the cost of transporting the water to the land, and the amount of water used by the land. The board may restrict charges to lands lying within one or more improvement districts within the community service district.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act.

CHAPTER 342

An act to add Section 5005.1 to the Corporations Code, relating to insurance.

[Approved by Governor July 15, 1986. Filed with Secretary of State July 15, 1986]

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

SECTION 1. Section 5005.1 is added to the Corporations Code, to read:

5005.1. (a) Except for a liability which may be insured against pursuant to Division 4 (commencing with Section 3200) of the Labor Code, an authorized corporation may do any of the following:

(1) Insure itself against all or any part of any tort liability.

(2) Insure any employee of the corporation against all or any part of his or her liability for injury resulting from an act or omission in the scope of employment.

(3) Insure any board member, officer, or volunteer of the corporation against any liability that may arise from any act or omission in the scope of participation with the corporation.

(b) The insurance authorized pursuant to this section shall only be available to an authorized corporation where that corporation has joined with two or more other authorized corporations in an arrangement providing for the pooling of self-insured claims or losses. The pooling arrangement shall not be considered insurance nor be subject to regulation under the Insurance Code.

(c) Nothing in this section shall be construed to authorize a corporation organized pursuant to this division to pay for, or to insure, contract, or provide for payment for, any part of a claim or judgment against an employee of the corporation for punitive or exemplary damages.

(d) Any insurance pool established pursuant to this section shall have initial pooled resources of not less than two hundred fifty thousand dollars ($250,000).

(e) All participating corporations in any pool established pursuant to this section must agree to pay premiums or make other mandatory financial contributions or commitments necessary to ensure a financially sound risk pool.

(f) For the purpose of this section, an authorized "corporation" means any corporation that meets all of the following criteria:

(1) Is organized chiefly to provide or fund health or human services, but does not include a hospital.

(2) Is exempt from taxation under paragraph (3) of subsection (c) of Section 501 of the United States Internal Revenue Code.

CHAPTER 343

An act to amend Section 34500 of the Vehicle Code, relating to vehicles.

[Approved by Governor July 15, 1986 Filed with Secretary of State July 15, 1986.]

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

SECTION 1. Section 34500 of the Vehicle Code is amended to read:

34500. The Department of the California Highway Patrol shall regulate the safe operation of the following vehicles:

(a) Motortrucks of three or more axles which are more than 6,000 pounds unladen weight.

(b) Truck tractors.

(c) Buses, schoolbuses, and youth buses.

(d) Trailers and semitrailers designed or used for the transportation of more than 10 persons, and the towing motor vehicle.

(e) Trailers and semitrailers, excluding camp trailers, trailer coaches, and utility trailers, pole or pipe dollies, auxiliary dollies, and logging dollies used in combination with vehicles listed in subdivisions (a), (b), (c), and (d).

(f) Any combination of a motortruck and any vehicle or vehicles set forth in subdivision (e) that exceeds 40 feet in length when coupled together.

(g) Any truck, or any combination of a truck and any other vehicle, transporting hazardous materials.

(h) Manufactured homes which, when moved upon the highway, are required to be moved under a permit as specified in Section 35780 or 35790.

(i) Any other motortruck not specified in subdivisions (a) through (h), inclusive, that is regulated by the Public Utilities Commission or the Interstate Commerce Commission, but only for matters relating to hours of service and logbooks of drivers.

CHAPTER 344

An act to amend Sections 15622 and 15625 of the Corporations Code, relating to corporations.

[Approved by Governor July 15, 1986 Filed with Secretary of State July 15, 1986]

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

SECTION 1. Section 15622 of the Corporations Code is amended to read:

15622. (a) A certificate of limited partnership is amended by filing a certificate of amendment thereto executed and acknowledged by all general partners (unless a lesser number is provided in the certificate of limited partnership) and by each general partner designated in the certificate of amendment as a new partner, unless filed by any other partner pursuant to Section 15625. The certificate of amendment shall be filed in the office of, and on a form prescribed by, the Secretary of State The certificate of amendment shall set forth all of the following:

(1) The name and the Secretary of State's file number of the limited partnership.

(2) The text of the amendment to the certificate.

(b) The general partners shall cause to be filed, within 30 days after the happening of any of the following events, an amendment to a certificate of limited partnership reflecting the occurrence of any of the following events:

(1) A change in name of the limited partnership.

(2) A change in either of the following:

(A) The street address of the principal executive office.

(B) If the principal executive office is not in this state, the street address of an office in this state.

(3) A change in the address of or the withdrawal of a general partner, or a change in the address of the agent for service of process, unless a corporate agent is designated, or appointment of a new agent for service of process.

(4) The admission of a general partner and that partner's address.

(5) The discovery by any of the general partners of any false or erroneous material statement contained in the certificate or any amendment thereto.

(c) A certificate of limited partnership may also be amended at any time in any other respect that the general partners determine.

(d) Any general partner, or any limited partner executing a certificate pursuant to Section 15633 or a certificate of amendment pursuant to Section 15625 or a certificate of dissolution pursuant to paragraph (1) of subdivision (a) of Section 15623 or Section 15625 or a certificate of cancellation of certificate of limited partnership pursuant to paragraph (1) of subdivision (b) of Section 15623 or

Section 15625, shall be liable for any statement materially inconsistent with the partnership agreement or any material misstatement of fact contained in any such certificate if the partner knew or should have known that the statement was false when made or became false and an amendment required by subdivision (b) was not filed, and the person suffering the loss relied on the statement or misstatement.

(e) Except as otherwise provided in Section 15642, no person has any liability because an amendment to a certificate of limited partnership has not been filed to reflect the occurrence of any event referred to in subdivision (b) if the amendment is filed within the time specified in subdivision (b).

(f) Except as provided in subdivision (d), no limited partner shall incur any liability for any misstatement contained in the certificate or for the failure to file an amendment to a certificate of limited partnership pursuant to subdivision (b).

SEC. 2. Section 15625 of the Corporations Code is amended to read:

15625. If a general partner required by this article to execute or file a certificate of limited partnership, a certificate of amendment, a certificate of dissolution, or a certificate of cancellation of limited partnership fails after demand to do so within a reasonable time or refuses to do so, any other partner, or any person appointed by a court of competent jurisdiction, may prepare, execute, and file with the Secretary of State an appropriate certificate.

CHAPTER 345

An act to amend Section 1812.101 of the Civil Code, relating to discount buying services, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 15, 1986 Filed with Secretary of State July 15, 1986.]

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

SECTION 1. Section 1812.101 of the Civil Code is amended to read:

1812.101. For the purpose of this title, the following definitions shall be used:

(a) "Discount buying organization" means any person or persons, corporation, unincorporated association, or other organization which, for a consideration, provides or purports to provide its clients or the clients or members of any other discount buying organization with the ability to purchase goods or services at discount prices, except that such organization shall not include: (1) any discount buying organization in which the total consideration paid by each

client or member in any manner whatsoever for the purchase of discount buying services from such organization (A) does not exceed a one-time fee of fifty dollars ($50) or an annual fee of twenty-five dollars ($25) to be paid on a yearly basis, or (B) does not exceed a one-time or annual fee of fifty dollars ($50) and the organization provides a majority of the goods and services through purchases by members who walk in to a fixed location operated by the organization; (2) any discount buying organization in which the total consideration paid by each client or member in any manner whatsoever for the purchase of discount buying services from the organization does not exceed a one-time or annual fee of fifty dollars ($50) and the organization (A) offers buying services to clients or members through toll-free telephone access, computer access, or video shopping terminals; (B) during the first year of membership of each member, provides a full refund of membership fees, without conditions, upon the request of the member; (C) provides at least 15 toll-free service lines to California customers devoted exclusively to customer service questions and complaints; and (D) maintains a bond which meets the requirements of Sections 1812.103 and 1812.104, except that the principal sum of the bond need only be twenty thousand dollars ($20,000); or (3) any discount buying organization in which persons receive discount buying services incidentally as part of a package of services provided to or available to such individual on account of his membership in such organization, which is not organized for the profit of any person or corporation, and which does not have as one of its primary purposes or businesses, the provision of discount buying services.

A discount buying organization does not include any person, corporation, unincorporated association, or other organization, which, for a consideration collected from another entity, provides or purports to provide the clients of the other entity with the ability to purchase goods or services at discount prices, if the clients of the other entity do not order from, or pay any money to, that person, corporation, unincorporated association, or other organization; however, the entity from which the customer purchases the right to obtain goods or services at discount prices, shall comply with the requirements of this title.

(b) "Contract for discount buying services" means a contract between one party (hereinafter referred to as the "buyer") who is purchasing the service for personal or family use, and a discount buying organization, whereby the buyer for a consideration receives the right to obtain goods or services from the discount buying organization, or to utilize the discount buying organization services in obtaining goods and services, at discount prices.

(c) "Discount prices" means prices which are represented to be lower on most or all offered goods or services than those generally charged for such items in the locality in which the representation is made.

This definition is not intended to affect the degree of savings which

must be offered on an item or selection of items in order to truthfully and without misleading consumers represent an item, selection of items, or entire store as being "discount" or "discounted."

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

In order to encourage new businesses to locate in California as soon as possible, it is essential that this act take effect immediately.

CHAPTER 346

An act to amend Section 2870 of the Labor Code, relating to employment.

[Approved by Governor July 15, 1986 Filed with Secretary of State July 15, 1986.]

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

SECTION 1. Section 2870 of the Labor Code is amended to read:

2870. (a) Any provision in an employment agreement which provides that an employee shall assign, or offer to assign, any of his or her rights in an invention to his or her employer shall not apply to an invention that the employee developed entirely on his or her own time without using the employer's equipment, supplies, facilities, or trade secret information except for those inventions that either:

(1) Relate at the time of conception or reduction to practice of the invention to the employer's business, or actual or demonstrably anticipated research or development of the employer.

(2) Result from any work performed by the employee for the employer.

(b) To the extent a provision in an employment agreement purports to require an employee to assign an invention otherwise excluded from being required to be assigned under subdivision (a), the provision is against the public policy of this state and is unenforceable.

CHAPTER 347

An act relating to the West Valley-Mission Community College District, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 15, 1986 Filed with Secretary of State July 15, 1986]

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

SECTION 1. The Legislature finds and declares that the West Valley-Mission Community College District, in accordance with Section 81365 of the Education Code, intends to lease approximately 60 acres of district-owned surplus property in the City of Santa Clara through the execution of a land development and disposition agreement. The Legislature further finds and declares that the district applied for and was granted a waiver by the Board of Governors of the California Community Colleges pursuant to subdivision (b) of Section 81370 of the Education Code, with regard to bids for the land development and disposition agreement.

SEC. 2. Notwithstanding subdivision (a) of Section 81370 of the Education Code, the West Valley-Mission Community College District is authorized to enter into a negotiated land development and disposition agreement, including subsequent leases and other agreements affecting the real property necessary to implement the land development and disposition agreement with the successful bidder or alternate successful bidder. The district also is authorized to execute all documents necessary to convey the leasehold interest to the successful bidder or alternate successful bidder pursuant to the land development and disposition agreement.

SEC. 3. Due to the unique circumstances concerning the execution of a land development and disposition agreement by the West Valley-Mission Community College District, the Legislature finds and declares that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution.

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

In order to minimize the loss of district funds and to improve the timely revenues as a result of the disposition of district property, it is necessary that this act take effect immediately.

CHAPTER 348

An act to amend Sections 1277 and 1442 of, and to repeal Section 46051 of, the Health and Safety Code, to amend Sections 14104.3, 14313, 14498, and 18379 of, to add Section 16708.1 to, and to repeal Sections 14016.8, 14080, and 14124.87 of, the Welfare and Institutions Code, to repeal Section 14 of Chapter 1004 of the Statutes of 1981, and to repeal Section 2 of Chapter 1750 of the Statutes of 1984, relating to the State Department of Health Services.

[Approved by Governor July 15, 1986 Filed with Secretary of State July 15, 1986]

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

SECTION 1. In enacting this legislation, it is the purpose of the Legislature to eliminate various reports to the Legislature by the State Department of Health Services mandated on a regular basis. Many of these reports are obsolete in their focus and subject matter due to changes in the law or regulations, or a lack of program funding that prevented the programs from being implemented.

SEC. 2. Section 1277 of the Health and Safety Code is amended to read:

1277. (a) No license shall be issued by the state department unless it finds that the premises, the management, the bylaws, rules and regulations, the equipment, the staffing, both professional and nonprofessional, and the standards of care and services are adequate and appropriate, and that the health facility is operated in the manner required by this chapter and by the rules and regulations adopted hereunder.

(b) Notwithstanding any provision of Part 2 (commencing with Section 5600) of Division 5 of, or Division 7 (commencing with Section 7100) of, the Welfare and Institutions Code or any other law to the contrary, except Sections 2137.1 and 2137.2 of the Business and Professions Code, the licensure requirements for professional personnel, including, but not limited to, physicians and surgeons, dentists, podiatrists, psychologists, pharmacists, registered nurses, and clinical social workers in the state and other governmental health facilities licensed by the state department shall not be less than for those professional personnel in health facilities under private ownership. Persons employed as psychologists and clinical social workers, while continuing in their employment in the same class as of January 1, 1979, in the same state or other governmental health facility licensed by the state department, including those persons on authorized leave, but not including intermittent personnel, shall be exempt from the requirements of this subdivision. Additionally, the requirements of this subdivision may be waived by the state department solely for persons in the professions of psychology or clinical social work who are gaining qualifying

experience for licensure in that profession in this state. A waiver granted pursuant to this subdivision shall not exceed two years from the date the employment commences in this state in the case of psychologists, or three years from commencement of the employment in this state in the case of clinical social workers, at which time licensure shall have been obtained or the employment shall be terminated. However, this durational limitation upon waivers shall not apply to active candidates for a doctoral degree in social work, social welfare, or social science, who are enrolled at an accredited university, college, or professional school, but these limitations shall apply following completion of that training. A waiver pursuant to this subdivision shall be granted only to the extent necessary to qualify for licensure, except that personnel recruited for employment from outside this state and whose experience is sufficient to gain admission to a licensing examination shall nevertheless have one year from the date of their employment in California to become licensed, at which time licensure shall have been obtained or the employment shall be terminated, provided that the employee shall take the licensure examination at the earliest possible date after the date of his or her employment, and if the employee does not pass the examination at that time, he or she shall have a second opportunity to pass the examination, subject to the one-year limit.

(c) A special permit shall be issued by the state department when it finds that the staff, both professional and nonprofessional, and the standards of care and services are adequate and appropriate, and that the special services unit is operated in the manner required in this chapter and by the rules and regulations adopted hereunder.

(d) The state department shall apply the same standards to state and other governmental health facilities that it licenses as it applies to health facilities in private ownership.

SEC. 3. Section 1442 of the Health and Safety Code is amended to read:

1442. The board of supervisors in each county, prior to closing a county hospital or other county medical facility, eliminating any area of service in a county hospital or other county medical facility or reducing the level of services provided to indigents as of January 1, 1975, or prior to leasing, selling, or in any way transferring the management of a county hospital or other county medical facility, shall file with the State Department of Health Services and the appropriate areawide voluntary health planning agency the following:

(a) A description of the county's existing facilities and services, the board's proposal for changing those facilities or services.

(b) A copy of any contracts, agreements, or arrangements with any facility or individual to provide services to indigent people.

SEC. 4. Section 46051 of the Health and Safety Code is repealed.

SEC. 5. Section 14016.8 of the Welfare and Institutions Code is repealed.

SEC. 6. Section 14080 of the Welfare and Institutions Code is repealed.

SEC. 7. Section 14104.3 of the Welfare and Institutions Code is amended to read:

14104.3. (a) The department may, to the extent feasible, enter into nonexclusive contracts providing arrangements under which funds available for health care under this chapter shall be administered and disbursed to providers of health care or to their designated agents in consideration for services rendered and supplies furnished by them in accordance with the provisions of the applicable contract and any schedule of charges or formula for determining payments established pursuant to the contract. The contract shall provide that the contractor:

(1) Will take such action as may be necessary to assure that payment for services to hospitals and other facilities and professional services shall be based on standards determined by the director. The formula for the payments shall be determined in accordance with regulations establishing the methods to be used and the items to be included.

(2) Will take any action which may be necessary to assure that charges by providers will be reasonable and not higher than the charge for a comparable service and under comparable circumstances made to other payors.

(3) Bills for service under this chapter shall be reviewed and rejected or processed for payment within an average of 18 days from receipt of evidence establishing validity of the bill for payment in the office of the contractor. If it is determined by the contractor that additional evidence of validity is required, the evidence shall be requested within 18 days from the date the bill is received by the contractor. In any event, notice shall be given within 30 days from the date the bill is received concerning the status of the bill submitted if the bill is held for peer review by the contractor beyond 18 days. In no event, shall the number of bills not processed for payment within 30 days of receipt exceed 9 percent of the total bills inventory.

(b) Contracts awarded under this section shall be awarded on a bid basis, and before entering into any contract, the director shall publish notice soliciting bids.

(c) Contracts awarded under this section may provide all of the following:

(1) Payments to the contractor may be on a capitation or prepayment basis, or on a combination of both methods of payment.

(2) Providers may assume all or part of the risk of utilization of services, or costs of services, or both, and that providers who agree to assume that risk may be separately classified for purposes of applicable rates of payment or administrative requirements.

(3) Any other provisions which have previously been incorporated into pilot programs established pursuant to Chapter 8 (commencing with Section 14200) and determined by the director

to be desirable and feasible.

(d) The director shall report to the Joint Legislative Budget Committee, within a year from the date of awarding contracts, on actions taken by him or her in the awarding of contracts under this section, including, but not limited to, the number and types of bids submitted, the basis on which contracts were awarded, and, if a contract is awarded to other than the lowest bidder, the reason for that action.

SEC. 8. Section 14124.87 of the Welfare and Institutions Code is repealed.

SEC. 9. Section 14313 of the Welfare and Institutions Code is amended to read:

14313. Beginning with the 1986–87 fiscal year and for each subsequent fiscal year, the department shall submit an annual report for the fiscal year to the Legislature prior to December 31 of the year in which the fiscal year ends. The report shall be on the following:

(a) Initial contracts, locations, number of enrollees, funds encumbered, funds expended.

(b) Renewed contracts, locations, number of enrollees, funds encumbered, funds expended.

(c) Contracts terminated, location, number of enrollees, reason for termination.

(d) Enrollee satisfaction or dissatisfaction, as indicated by the beneficiary satisfaction survey, public hearing testimony, and grievance resolution and disenrollment experience.

(e) Experience with regard to quality, utilization, and cost of care, as compared among categories of plans defined by significant variables, including, but not limited to, factors such as profit or nonprofit organization and group practice or independent practice association.

(f) Significant violations of the provisions of Article 4 (commencing with Section 14400) or Article 5 (commencing with Section 14450) and sanctions imposed in response thereto.

SEC. 10. Section 14498 of the Welfare and Institutions Code is amended to read:

14498. Beginning with the 1986–87 fiscal year and for each subsequent fiscal year, the director shall submit to the Legislature a written report for the fiscal year detailing the objectives of all pilot programs, the department's analysis of their effectiveness, efficiency, and quality, and other information regarding the pilot programs not later than December 31 of the year in which the fiscal year ends. At the conclusion of a pilot program the director shall report to the Legislature concerning the desirability and feasibility of implementing the pilot program on a statewide basis.

SEC. 11. Section 16708.1 is added to the Welfare and Institutions Code, to read:

16708.1. (a) The State Department of Health Services shall, no later than April 15 of each year, submit an annual report to the Legislature on county health services.

(b) The report shall contain information on the distribution of county health services funds, including both budgeted and expended state and county funds for county health services. It shall also provide information on committed and expended special needs and priorities funds.

(c) The report shall provide data and analysis on county health service fiscal trends and information on the resources, types, and units of services provided by counties. The service information shall describe specific services provided and shall be tabulated by county.

(d) The report shall contain the information on closings of county hospitals or other county medical facilities, elimination or reduction of areas of service in county hospitals or other county medical facilities, and reduction in the level of services to indigents as of January 1, 1975, as reported by counties pursuant to Section 1442 of the Health and Safety Code, as it existed on December 31, 1986.

SEC. 12. Section 18379 of the Welfare and Institutions Code is amended to read:

18379. The State Department of Health Services, in consultation with the Department of Aging, shall submit a single report to the Legislature by June 30, 1987, describing and evaluating the effectiveness of these projects in promoting the health of the elderly, in reducing their risks of chronic diseases, and the resulting debilitating conditions through early detection, public health nursing services, and other prevention activities.

SEC. 13. Section 14 of Chapter 1004 of the Statutes of 1981 is repealed.

SEC. 14. Section 2 of Chapter 1750 of the Statutes of 1984 is repealed.

CHAPTER 349

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

[Approved by Governor July 15, 1986 Filed with Secretary of State July 15, 1986]

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

SECTION 1. Notwithstanding Sections 3525, 3572, and 10218 of the Elections Code, or any other provision of law, the measure set forth in Senate Constitutional Amendment No. 26 of the 1985–86 Regular Session, as chaptered by the Secretary of State, shall be submitted to the people of the State of California for their ratification at the general election, to be held November 4, 1986. This measure shall be submitted to the voters in substantial accordance with provisions of the Government Code and Elections Code governing submission of statewide measures to the voters at a statewide

election.

This section shall remain in effect only until January 1, 1987, and as of that date is repealed.

SEC. 2. Notwithstanding Sections 3525, 3572, and 10218 of the Elections Code, or any other provision of law, the measure set forth in Assembly Constitutional Amendment No. 5 of the 1985–86 Regular Session, shall be submitted to the people of the State of California for their ratification at the general election, to be held November 4, 1986. This measure shall be submitted to the voters in substantial accordance with provisions of the Government Code and Elections Code governing submission of statewide measures to the voters at a statewide election.

This section shall become operative only if Assembly Constitutional Amendment No. 5 of the 1985–86 Regular Session is chaptered on or before July 11, 1986.

This section shall remain in effect only until January 1, 1987, and as of that date is repealed.

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

This act places upon the ballot vital changes in election laws, and in order that these changes become operative at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 350

An act to add Section 35790.6 to, and to repeal Section 35252 of, the Vehicle Code, relating to manufactured homes, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 15, 1986 Filed with Secretary of State July 15, 1986.]

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

SECTION 1. Section 35252 of the Vehicle Code is repealed.

SEC. 2. Section 35790.6 is added to the Vehicle Code, to read:

35790.6. A permit issued pursuant to Section 35780 or 35790 may authorize an exemption from the height limitations in Section 35250 for manufactured homes, including manufactured homes with a height in excess of 15 feet, measured from the surface upon which the vehicle stands, if the proposed route can accommodate the vehicle.

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

In order to allow for the transportation of overheight manufactured homes, to meet certain architectural development standards imposed by local entities and to enable the development of affordable housing projects for the citizens of the state as soon as possible, it is necessary that this act take effect immediately.

CHAPTER 351

An act to amend Section 22511.5 of, and to amend, repeal, and add Section 4461 of, the Vehicle Code, relating to vehicles.

[Approved by Governor July 15, 1986 Filed with Secretary of State July 15, 1986]

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

SECTION 1. Section 4461 of the Vehicle Code is amended to read:

4461. (a) No person shall lend any certificate of ownership, registration card, license plate, special plate, or permit issued to him or her if the person desiring to borrow it would not be entitled to its use, nor shall any person knowingly permit its use by one not entitled to it.

(b) No person shall lend any disabled person placard issued to him or her if the person desiring to borrow it is not entitled to its use, nor shall any person knowingly permit its use by one not entitled to it. A violation of this subdivision is a misdemeanor.

For purposes of this subdivision, "disabled person placard" means a placard issued pursuant to Section 22511.5 or 22511.9.

(c) This section shall become inoperative on July 1, 1987, and, as of January 1, 1988, is repealed, unless a later enacted statute, which becomes effective on or before January 1, 1988, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 2. Section 4461 is added to the Vehicle Code, to read:

4461. (a) No person shall lend any certificate of ownership, registration card, license plate, special plate, or permit issued to him or her if the person desiring to borrow it would not be entitled to its use, nor shall any person knowingly permit its use by one not entitled to it.

(b) No person shall lend any disabled person placard issued to him or her, nor shall any person knowingly permit its use by one not entitled to it. A disabled person placard holder may permit another person to use the placard for the purpose of transporting the disabled person. A violation of this subdivision is a misdemeanor.

(c) Except for the purpose of transporting disabled persons as specified in subdivision (b), no person shall display any disabled person placard that was not issued to him or her or that has been canceled or revoked pursuant to Section 22511.6. A violation of this

subdivision is a misdemeanor.

(d) For the purposes of subdivisions (b) and (c), "disabled person placard" means a placard issued pursuant to Section 22511.5 or 22511.9.

(e) This section shall become operative on July 1, 1987.

SEC. 3. Section 22511.5 of the Vehicle Code is amended to read:

22511.5. (a) A disabled person is any of the following:

(1) Any person who has lost, or has lost the use of, one or more lower extremities or both hands, or who has significant limitation in the use of lower extremities, or who has a diagnosed disease or disorder which substantially impairs or interferes with mobility, or who is so severely disabled as to be unable to move without the aid of an assistant device.

(2) Any person who is blind to the extent that the person's central visual acuity does not exceed 20/200 in the better eye, with corrective lenses, as measured by the Snellen test, or visual acuity that is greater than 20/200, but with a limitation in the field of vision such that the widest diameter of the visual field subtends an angle not greater than 20 degrees.

(3) Any person who suffers from lung disease to the extent that the person's forced (respiratory) expiratory volume for one second when measured by spirometry is less than one liter or the person's arterial oxygen tension (pO_2) is less than 60 mm/Hg on room air at rest.

(4) Any person who is impaired by cardiovascular disease to the extent that the person's functional limitations are classified in severity as class III or class IV according to standards accepted by the American Heart Association.

(b) A disabled person shall be allowed to park for unlimited periods in a restricted zone described in subdivision (e) of Section 21458. A disabled person shall be allowed to park for unlimited periods in parking zones restricted as to the length of time parking is permitted as indicated by a sign erected pursuant to a local ordinance. A disabled person shall be allowed to park in any metered parking space without being required to pay any parking meter fees. This section does not apply to those zones in which the stopping, parking, or standing of all vehicles is prohibited absolutely by state law or local ordinance or which are reserved for special types of vehicles.

(c) As a condition to this privilege, the vehicle shall display a distinguishing license plate which shall be issued for a vehicle registered to the disabled person, or a vehicle which is not registered to the disabled person, but which is used primarily to transport a disabled person and which would otherwise qualify for a distinguishing license plate if the vehicle were registered to the disabled person. The distinguishing license plate shall be issued without additional fees by the Department of Motor Vehicles pursuant to procedures adopted by the department.

(d) Any disabled person may also apply to the Department of

Motor Vehicles for the issuance of a distinguishing placard. The placard may be used in lieu of the distinguishing license plate for parking purposes described in subdivision (b) when displayed on the dashboard of a vehicle. It is the intent of the Legislature to hereby encourage the use of these distinguishing placards which provide law enforcement officers with a more readily recognizable symbol for distinguishing vehicles qualified for the parking privilege. The placard shall be the size and color determined by the Department of Motor Vehicles.

The Department of Motor Vehicles may establish procedures for the issuance and renewal of the placards. The placards shall have a fixed expiration date of June 30 every two years. Whenever any application for a placard is submitted to the Department of Motor Vehicles on or after January 1 of the year of expiration, the fee shall be for the current and subsequent renewal period. The first renewal of placards issued between July 1, 1985, and December 31, 1986, shall be on or before June 30, 1987.

The fee for an original application or renewal application shall be six dollars ($6).

As used in this section, "year" means the period between the inclusive dates of July 1 through June 30.

No disabled person is eligible for more than one placard at any time. Organizations and agencies involved in the transportation of disabled persons may apply for a placard for each vehicle used for the purpose of transporting disabled persons.

(e) The Department of Motor Vehicles shall issue new placards to replace placards issued prior to July 1, 1985. The new placards shall be issued as soon as possible on or after July 1, 1985. All placards issued prior to July 1, 1985, shall expire on October 1, 1985. The Department of Motor Vehicles may charge a fee sufficient to cover its actual costs for issuance of substitute placards.

(f) Prior to issuing a disabled person a distinguishing license plate or placard, the Department of Motor Vehicles may require an applicant to submit a certificate signed by a physician or surgeon substantiating the disability. However, the disability of a person who has lost, or has lost the use of, one or more lower extremities or both hands, or who has significant limitation in the use of lower extremities, may also be certified by a licensed chiropractor. The blindness of any person applying shall be certified by a licensed physician or surgeon who specializes in diseases of the eye or a licensed optometrist.

(g) A person who is temporarily disabled for a period of less than one year may apply for a placard as prescribed in subdivision (d).

(h) A disabled person shall be allowed to park a vehicle displaying a distinguishing disabled person license plate or placard issued by a foreign jurisdiction with the same parking privileges authorized in this code as a vehicle issued a distinguishing disabled person license plate or displaying a placard issued pursuant to subdivision (d) by the Department of Motor Vehicles.

SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

CHAPTER 352

An act to amend Sections 19583.5, 20017.96, and 20017.97 of the Government Code, relating to state employees.

[Approved by Governor July 15, 1986. Filed with Secretary of State July 16, 1986.]

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

SECTION 1. Section 19583.5 of the Government Code is amended to read:

19583.5. (a) Any person, except for a current or former ward or inmate of the California Youth Authority or the Department of Corrections, with the consent of the board or the appointing power may file charges against an employee requesting that adverse action be taken for one or more causes for discipline specified in this article. Upon exhaustion of formal administrative appeal through the appointing power, a current or former ward or inmate of the California Youth Authority or the Department of Corrections dissatisfied with the appeal action may with the consent of the board, file charges against an employee requesting that adverse action be taken for one or more causes for discipline specified in this article. The employee against whom the charges are filed shall have a right to answer as provided in this article. In all such cases a hearing shall be conducted in accord with this article and if the board finds that the charges are true it shall have the power to take such adverse action as in its judgment is just and proper.

(b) This section shall not be construed to supersede Section 19682.

SEC. 2. Section 20017.96 of the Government Code is amended to read:

20017.96. "State peace officer/firefighter member" also includes officers and employees with the following class titles of:

Class Code	Classification
9694	Board Coordinating Parole Agent, Youthful Offender Parole Board
9774	Correctional Case Worker Trainee
9649	Correctional Program Supervisor
9903	Correctional Counselor II

9904	Correctional Counselor I
9662	Correctional Officer
9658	Correctional Officer Trainee
9911	Case Work Specialist, Youth Authority
9579	Group Supervisor
9578	Group Supervisor Trainee
8217	Medical Technical Assistant, Correctional Facility
9701	Parole Agent I, Youth Authority
9765	Parole Agent I, Adult Parole
9696	Parole Agent II, Youth Authority
9763	Parole Agent II, Adult Parole
8215	Senior Medical Technical Assistant
9590	Transportation Officer, Youth Authority
9581	Youth Counselor
6875	Air Operations Officer I
6877	Air Operations Officer I, Maintenance
6882	Air Operations Officer II, Maintenance
1050	Air Operations Officer III, Maintenance
1053	Air Operations Officer III
1056	Air Operations Officer II
1077	Fire Apparatus Engineer
1074	Fire Captain
1072	Fire Control Aid
1069	Fire Crew Supervisor
1082	Firefighter, California Department of Forestry
1083	Seasonal Firefighter, California Department of Forestry
1046	Forestry Helicopter Pilot
1047	Fire Prevention Officer I
1049	Fire Prevention Officer II
1060	Forestry Aid
6387	Heavy Fire Equipment Operator
1055	Junior Forester
8997	Arson/Bomb Investigator
8972	Deputy State Fire Marshal II
8975	Deputy State Fire Marshal I
9043	Food and Drug Investigator I
9039	Food and Drug Investigator II
9042	Food and Drug Investigator III
9001	Firefighter/Correctional Institutions
8416	Lt. Fish and Game Patrol Boat
0992	Life Guard
1992	Museum Security Officer I
0890	Park Safety/Enforcement Specialist
8359	Sgt. California State Police
8464	State Police Officer
0983	State Park Ranger I

0981	State Park Technician
8358	State Security Officer
8989	Supervisor Firefighter/Security Guard
8410	Warden/Pilot Fish and Game
8990	Firefighter/Security Guard
8979	Firefighter
8421	Fish and Game Warden
8418	Fish and Game Patrol, Lieutenant
9028	Food and Drug Program Coordinator
9007	Food Technology Specialist
9088	Fire Service Training Specialist I
9089	Fire Service Training Specialist II
9090	Fire Service Training Specialist III
1937	Hospital Peace Officer I
9013	Deputy State Fire Marshal III Specialist
0989	Aquatic Specialist
0982	State Park Ranger Trainee

Any person so designated may elect, within 90 days of notification by the board, to remain subject to the service retirement benefit and the normal rate of contribution applicable prior to the effective date of this section by filing an irrevocable notice of election with the board. A member who so elects shall be subject to the reduced benefit factors specified in Section 21251.13 only for service also included in the federal system.

SEC. 3. Section 20017.97 of the Government Code is amended to read:

20017.97. "State peace officer/firefighter member" also means:

(a) All persons in the Department of Corporations, Office of the Controller, and the Public Employees' Retirement System employed on a full-time permanent basis with the class title of Special Investigator (Class Code 8553), Senior Special Investigator (Class Code 8550), Investigator Trainee (Class Code 8555) and Investigator Assistant (Class Code 8554) who have been designated as peace officers as defined in Sections 830.2 and 830.3 of the Penal Code.

(b) All persons employed on a full-time permanent basis with the class title of Sergeant State Fair Police (Class Code 1946), State Fair Police Officer (Class Code 1945), Senior Investigator, Structural Pest Control Board (Class Code 8821), Investigator Structural Pest Control Board (Class Code 8802), District Representative I and II, Division of Codes and Standards (Class Codes 8960 and 8958), Deputy Registrar of Contractors I and II (Class Codes 8793 and 8792), Polygraph Examiners, California Youth Authority (Class Code 8542), Community Services Consultant I (Class Code 9717), or Parole Service Associate (Class Code 9776) who have been designated as peace officers as defined in Sections 830.2, 830.3, and 830.5 of the Penal Code.

(c) All persons employed on a full-time permanent basis with the class title of Deputy State Fire Marshal Intern (Class Code 8980).

(d) All persons employed on a full-time permanent basis with the class title of Forester I (Class Code 1054).

Any person so designated may elect, within 90 days of notification by the board, to remain subject to the service retirement benefit and the normal rate of contribution applicable prior to the effective date of this section by filing an irrevocable notice of election with the board. A member who so elects shall be subject to the reduced benefit factors specified in Section 21251.13 only for service also included in the federal system.

This section shall not become applicable to any member so designated until such time as a ruling or regulation authorizing the inclusion of persons so designated within the definition of "policeman or fireman" is issued by the federal agency for purposes of Section 218(d) (5) (A) of the Social Security Act.

CHAPTER 353

An act to amend Section 995.3 of, to add and repeal Article 4.5 (commencing with Section 53296) of Chapter 2 of Part 1 of Division 2 of Title 5 of, and to repeal and add Sections 10548 and 19683 of, the Government Code, relating to public employees.

[Approved by Governor July 15, 1986 Filed with Secretary of State July 16, 1986]

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

SECTION 1. The Legislature finds and declares that state and local public employees throughout the state should feel that they have a personal investment in the integrity of the state and of the workplace.

The Legislature further finds and declares that in some instances public employees are made to feel that they will betray supervisors and lose benefits if they speak out against violations of public laws, rules, or regulations, gross mismanagement or a significant waste of public funds, abuse of authority, and substantial and specific danger to the public health and safety. Threats, coercion, and unfair employment practices are sometimes perpetrated upon public employees by management and supervisory personnel in order to either conceal or to discourage disclosure of violations of public laws, rules, or regulations, gross mismanagement or a significant waste of public funds, abuse of authority, or a substantial and specific danger to the public health and safety. Thus, protection must be provided to public employees who speak out against these practices in the workplace.

SEC. 2. Section 995.3 of the Government Code is amended to read:

995.3. (a) If a state employee provides his or her own defense

against an action brought for an alleged violation of Section 10543, and if it is established that no violation of Section 10543 occurred, the public entity shall reimburse the employee for any costs incurred in the defense.

(b) A public entity which does provide for the defense of a state employee charged with a violation of Section 10543 shall reserve all rights to be reimbursed for any costs incurred in that defense. If a state employee is found to have violated Section 10543, he or she is liable for all defense costs and shall reimburse the public entity for those costs.

SEC. 3. Section 10548 of the Government Code is repealed.

SEC. 4. Section 10548 is added to the Government Code, to read:

10548. (a) A state employee or applicant for state employment who files a written complaint with his or her supervisor, manager, or the appointing power alleging actual or attempted acts of reprisal, retaliation, threats, coercion, or similar improper acts prohibited by Section 10543, may also file a copy of the written complaint with the State Personnel Board, together with a sworn statement that the contents of the written complaint are true, or are believed by the affiant to be true, under penalty of perjury. The complaint filed with the board, shall be filed within 12 months of the most recent act of reprisal complained about.

(b) Any person who intentionally engages in acts of reprisal, retaliation, threats, coercion, or similar acts against a state employee or applicant for state employment for having disclosed improper governmental activities, is subject to a fine not to exceed ten thousand dollars ($10,000), and imprisonment in the county jail for up to a period of one year. Any state civil service employee who intentionally engages in that conduct shall be disciplined by adverse action as provided by Section 19572. If no adverse action is instituted by the appointing power, the State Personnel Board shall invoke adverse action as provided in Section 19583.5.

(c) In addition to all other penalties provided by law, any person who intentionally engages in acts of reprisal, retaliation, threats, coercion, or similar acts against a state employee or applicant for state employment for having disclosed improper governmental activities shall be liable in an action for damages brought against him or her by the injured party. Punitive damages may be awarded by the court where the acts of the offending party are proven to be malicious. Where liability has been established, the injured party shall also be entitled to reasonable attorney's fees as provided by law. However, any action for damages shall not be available to the injured party unless the injured party has first filed a complaint with the State Personnel Board pursuant to subdivision (a) of this section, and the board has failed to reach a decision regarding any hearing conducted pursuant to Section 19683.

(d) This section is not intended to prevent an appointing power, manager, or supervisor from taking, directing others to take, recommending, or approving any personnel action or from taking or

failing to take a personnel action with respect to any state employee or applicant for state employment if the appointing power, manager, or supervisor reasonably believes any action or inaction is justified on the basis of evidence separate and apart from the fact that the person has disclosed improper governmental activities as defined in subdivision (b) of Section 10542.

SEC. 5. Section 19683 of the Government Code is repealed.

SEC. 6. Section 19683 is added to the Government Code, to read:

19683. (a) The State Personnel Board shall initiate an investigation of a written complaint of reprisal or retaliation as prohibited by Section 10543 within 10 working days of its submission. The executive officer shall complete findings of the investigation within 60 working days thereafter, and shall provide a copy of the investigation report to the complaining state employee or applicant for state employment and to the appropriate supervisor, manager, or appointing authority.

(b) If the findings of the executive officer set forth acts of alleged misconduct by the supervisor, manager, or appointing power, the supervisor, manager, or appointing power may request a hearing before the State Personnel Board regarding the findings of the executive officer. The request for hearing and any subsequent determination by the board shall be made in accordance with the board's normal rules governing appeals, hearings, investigations, and disciplinary proceedings.

(c) If, after the hearing, the State Personnel Board determines that a violation of Section 10543 occurred, or if no hearing is requested and the findings of the executive officer conclude that improper activity has occurred, the board may order any appropriate relief, including, but not limited to, reinstatement, backpay, restoration of lost service credit, if appropriate, and the expungement of any adverse records of the state employee or applicant for state employment who was the subject of the alleged acts of misconduct prohibited by Section 10543.

(d) Whenever the board determines that a manager or supervisor has violated Section 10543, it shall cause an entry to that effect to be made in the manager's or supervisor's official personnel records. Adverse action shall also be invoked by the appointing power against the offending manager or supervisor in accordance with the provisions of Sections 10548 and 19572.

(e) Notwithstanding Section 10548, any state officer or employee filing a complaint of reprisal or retaliation pursuant to subdivision (a) also shall have previously filed a complaint of improper governmental activity with the Joint Legislative Audit Committee, pursuant to Section 10547.

(f) In order for the Governor and the Legislature to determine the need to continue or modify state personnel procedures as they relate to the investigation of reprisals or retaliation for the disclosure of information by public employees, the State Personnel Board shall, on June 30, 1987, and annually thereafter, submit a report to the

Governor and the Legislature regarding complaints filed, hearings held, and legal actions taken pursuant to this section.

SEC. 7. Article 4.5 (commencing with Section 53296) is added to Chapter 2 of Part 1 of Division 2 of Title 5 of the Government Code, to read:

Article 4.5. Disclosure of Information: Local Government

53296. Definitions used in this article:

(a) "Local agency" means any county, city, city and county, including any charter county, city, or city and county, and any district, school district, community college district, municipal or public corporation, political subdivision, or public agency of the state, or any instrumentality of any one or more of these agencies.

(b) "Disciplinary action" means any direct form of discipline as defined in personnel rules and regulations adopted by the local agency.

(c) "Disclosure of information" means the written provision of evidence regarding gross mismanagement or a significant waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety.

(d) "Complaint" means any written document containing a disclosure of information as specified in subdivision (c).

(e) "Employee" means any person employed by a local agency.

(f) "Manager" means any employee having significant responsibilities for formulating or administering local agency or departmental policies and programs or administering the local agency or a department.

(g) "Supervisory employee" or "supervisor" means any employee regardless of job description or title, having authority, in the interest of the employer, to hire, transfer, suspend, layoff, recall, promote, discharge, assign, reward, or discipline other employees, or responsibility to direct them, or to adjust their grievances, or effectively to recommend this action, if, in connection with the foregoing, the exercise of this authority is not of a merely routine or clerical nature, but requires the use of independent judgment.

(h) "Officer" means any appointed member of a local board, commission, or other governing body who supervises or is responsible for the work of one or more local agency employers.

(i) "Administrative procedure" means any written administrative procedure adopted by the local agency for presentation of a grievance for ultimate decision by the governing body of the local agency. The term does not include grievance procedures embodied in collective bargaining agreements.

(j) "Reprisal action" means any act of intimidation, restraint, coercion, or discrimination against any employee, or applicant for employment, who files a complaint pursuant to Section 53297.

53297. (a) An employee, or applicant for employment, shall have the right to file a complaint with the local agency within 60 days

of the date of the act or event which is the subject of the complaint.

(b) Prior to filing a written complaint pursuant to this article, the employee shall first make a good faith effort to exhaust all available administrative remedies. The 60-day time limit specified in subdivision (a) shall be extended by the amount of time actually utilized by the employee in pursuing available administrative remedies.

(c) A complaint pursuant to this article shall be filed in accordance with the locally adopted administrative procedure. If there is no administrative procedure, the complaint shall be filed with the governing body.

(d) All complaints brought by employees under this article shall be filed under penalty of perjury.

53298. (a) No local agency officer, manager, or supervisor shall take a reprisal action through any act of intimidation, restraint, coercion, or discrimination against any employee or applicant for employment who files a complaint pursuant to Section 53297.

(b) This article is not intended to prevent a local agency from taking, directing others to take, recommending, or approving any personnel action with respect to any employee or applicant for employment if the local agency reasonably believes that the action or inaction is justified on the basis of separate evidence which shows any of the following:

(1) The employee's complaint has disclosed information that he or she knows to be false or has disclosed information without regard for the truth or falsity thereof.

(2) The employee's complaint has disclosed information from records which are closed to public inspection pursuant to law.

(3) The employee's complaint has disclosed information which is confidential under any other provision of law.

(4) The employee was the subject of an ongoing or existing disciplinary action prior to the disclosure of information with the local agency.

(5) The employee has violated any other provision of the local personnel rules and regulations, has failed to perform assigned duties, or has committed any other act unrelated to the disclosure that would otherwise be subject to personnel action.

(c) It is not a violation of this article for an officer, manager, or supervisor to take disciplinary action against an employee if that officer, manager, or supervisor had no prior knowledge that a complaint had been filed by that employee.

53298.5. (a) Any officer, manager, or supervisor who violates Section 53298 with malicious intent is punishable by a fine not to exceed ten thousand dollars ($10,000) and imprisonment in the county jail for up to a period of one year. In addition, any local agency officer, manager, or supervisor who maliciously engages in conduct prohibited by Section 53298 shall be disciplined as provided by local personnel rules and regulations.

(b) In addition to all other penalties provided by law, any local

officer, manager, or supervisor who has been found by a court to have violated the provisions of Section 53298 with malicious intent shall be individually liable for damages in an action brought against him or her by the injured employee. Punitive damages may be awarded by the court where the offending party has acted with malice. Where liability has been established, the injured employee shall also be entitled to reasonable attorney's fees as provided by law. In no way, shall the provisions of this article establish any liability for punitive damages or any new cause of action against the local public entity other than liabilities contained in existing law.

53299. (a) In order for the Governor and the Legislature to determine the need to continue or modify local agency personnel procedures as they relate to disclosure of information by public employees, the League of California Cities in consultation with the County Supervisors Association of California, may submit on June 30, 1987, and annually thereafter, a report to the Governor and the Legislature regarding complaints filed, hearings held, and legal actions taken pursuant to this section.

(b) This article shall remain in effect only until January 1, 1990, and as of that date is repealed, unless a later enacted statute, which is chaptered before January 1, 1990, deletes or extends that date.

SEC. 8. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

CHAPTER 354

An act to amend Sections 20930.11 and 31648.3 of, and to repeal Section 22794.5 of, the Government Code, relating to public retirement.

[Approved by Governor July 15, 1986 Filed with Secretary of State July 16, 1986.]

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

SECTION 1. Section 20930.11 of the Government Code is amended to read:

20930.11. "Public service," with respect to a local member who is a full-time employee, also means any time on or after January 1, 1981, but not to exceed 12 months, during which the local member is laid off. The service credit provided by this section shall not exceed one year and shall be provided to any person who: (1) returns within 12 months of the date of layoff to full-time employment under the procedures of the employer for returning laid-off employees to work;

(2) elects to purchase the public service credit within three years of return to work or the effective date of the contract amendment to become subject to this section; and (3) redeposits any contributions which had been withdrawn at the commencement of, or during, the period of the layoff.

This section shall not apply to any contracting agency nor to the employees of a contracting agency unless and until the agency elects to be subject to this section by contract or by amendment to its contract made in the manner prescribed for approval of contracts.

SEC. 2. Section 22794.5 of the Government Code is repealed.

SEC. 3. Section 31648.3 of the Government Code is amended to read:

31648.3. A member who is a full-time employee and returns within 12 months of the date of layoff to full-time service following a period of layoff commencing on or after January 1, 1981, but not to exceed 12 months, may receive service credit for the period of the absence, but not to exceed one year, upon the payment of the contributions that the member would have paid during that period, together with the interest that the contributions would have earned had they been on deposit, if the member was not absent. The contributions may be paid in lump sum or may be paid on a monthly basis for a period of not more than the length of the period for which service credit is claimed. The service credit provided by this section shall be provided only to persons who have returned to employment under the procedures of the employer for returning laid-off employees to work and shall not exceed one year of service credit. The decision of the member to redeposit withdrawn contributions shall be made within five years from the date the member is rehired or the effective date of the adoption by the county board of supervisors of this section. Upon completion of the redeposit with interest, the entry age of the member shall be adjusted to the original age of entry and membership is reestablished to that date.

This section shall not be operative in any county until such time as the board of supervisors shall, by resolution adopted by a majority vote, make this section applicable in the county.

SEC. 4. Reimbursement to local agencies and school districts for costs mandated by the state pursuant to this act shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code and, if the statewide cost of the claim for reimbursement does not exceed five hundred thousand dollars ($500,000), shall be made from the State Mandates Claims Fund.

CHAPTER 355

An act to amend Section 11460 of, and to add Sections 4684 and 11464 to, the Welfare and Institutions Code, relating to developmental disabilities.

[Approved by Governor July 15, 1986 Filed with Secretary of State July 16, 1986.]

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

SECTION 1. Section 4684 is added to the Welfare and Institutions Code, to read:

4684. Notwithstanding any other provision of law, the cost of providing 24-hour out-of-home nonmedical care and supervision in licensed community care facilities shall be funded by the Aid to Families with Dependent Children-Foster Care (AFDC-FC) program pursuant to Section 11464, for children who are both AFDC-FC recipients and regional center clients.

Regional centers shall pay the cost of services which they authorize for AFDC-FC recipients but which are not allowable under state or federal AFDC-FC program requirements. Regional centers shall accept referrals for evaluations of AFDC-FC eligible children and assist county welfare and probation departments in identifying appropriate placement resources for children who are eligible for regional center services.

SEC. 2. Section 11460 of the Welfare and Institutions Code is amended to read:

11460. (a) It is the intent of the Legislature that foster care providers shall be paid a rate determined in accordance with Section 11461, 11462, 11462.1, 11463, or 11464 in return for the care and supervision of the AFDC-FC child placed with them.

(b) The department is designated the single organizational unit whose duty it shall be to administer a state system for establishing rates in the AFDC-FC program. State functions shall be performed by the department or by delegation of the department to county welfare departments.

SEC. 3. Section 11464 is added to the Welfare and Institutions Code, to read:

11464. Notwithstanding any other provision of law, the State Department of Social Services shall use the residential facility rates established by the State Department of Developmental Services to determine rates to be paid for 24-hour out-of-home nonmedical care and supervision of children who are both regional center clients pursuant to Section 4684 and AFDC-FC recipients under the provisions of this chapter and placed in licensed community care facilities.

Any services authorized by a regional center for AFDC-FC recipients that are not allowable under state or federal AFDC-FC

program requirements shall be paid pursuant to Section 4684.

SEC. 4. Reimbursement to local agencies and school districts for costs mandated by the state pursuant to this act shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code and, if the statewide cost of the claim for reimbursement does not exceed five hundred thousand dollars ($500,000), shall be made from the State Mandates Claims Fund.

SEC. 5. Sections 1, 2, and 3 of this act shall become operative July 1, 1987.

CHAPTER 356

An act to amend Sections 9602.5, 15032, and 15043 of the Unemployment Insurance Code, relating to employment.

[Approved by Governor July 15, 1986. Filed with Secretary of State July 16, 1986.]

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

SECTION 1. Section 9602.5 of the Unemployment Insurance Code is amended to read:

9602.5. The department shall establish, in conjunction with the Department of Social Services, the Department of Industrial Relations, the Department of Education, and the Chancellor's office of the California Community Colleges, a systemwide policy of actively promoting the training of women in nontraditional occupations. For purposes of this section, "nontraditional occupations" means any job classification in which not more than 25 percent of the employees are women, according to the statistics of the United States Department of Labor.

This section is not intended, and shall not be construed, to require any local agency to make any expenditures to further the policy set forth in this section.

SEC. 2. Section 15032 of the Unemployment Insurance Code is amended to read:

15032. It shall be the duty of the council to:

(a) Design and plan the program of job preparation and training services for the service delivery area, which shall include all of the following:

(1) Establishing the service delivery area's eligibility and services priorities.

(2) Determining the types of services and training to be provided.

(3) Determining the industries and occupations for training.

(4) Establishing criteria for the content and quality of training.

(5) Determining the entities which will deliver the training and services.

(6) Determining the annual utilization of available funds and resources and preparing the program budget.

(b) Survey local employment needs and local economic conditions, including a description of:

(1) Unemployed, underemployed and "discouraged" workers.

(2) Jobs lost and jobs created in the region.

(3) Local labor market supplies and migratory patterns.

(4) Labor force training needs and skills assessment.

(5) Linkages with small businesses.

(6) Economic development strategies, implemented or planned for the region and their employment impact.

(7) Employment by private industry receiving contracts, loans, industrial revenue bonds, grants, tax abatements or preferential zoning from the local governing body.

(c) Guide the development of the service delivery area plan prepared in accordance with the provisions of Chapter 5 (commencing with Section 15040) to assure that it conforms with the priorities, criteria and standards set forth by the council pursuant to subdivision (a).

(d) Monitor the performance of the job preparation and training services system to assure its compliance with the service delivery area plan, and through utilization of performance criteria established pursuant to this division, assess the levels of success achieved by the system. Where the system's performance is not up to standard, the council shall propose modifications which maximize successful outcomes.

(e) Assure that the system is fully responsive to the employment needs of the private sector, program participants, and the economic conditions occurring within the service delivery area, and assure that the system is compatible with and supportive of federal, state and local business and economic development activities occurring within the service delivery area.

(f) Promote the integration of the system with all other job training, vocational education, and employment services resources available within the service delivery area, including the joint development of plans with the Employment Development Department for local offices for employment services including the Work Incentive Program, local educational agencies for vocational education programs pursuant to the provisions of Chapter 7 (commencing with Section 15070), and county welfare departments for services to participants under Article 3.2 (commencing with Section 11320) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code.

(g) Promote the transition of participants served by the system into full-time unsubsidized jobs with special emphasis on nontraditional jobs in the private sector for women.

For purposes of this subdivision, nontraditional employment in the private sector for women shall be deemed to include employment in any occupation in which not more than 25 percent of the employees

are women.

(h) Consult quarterly with the local child care resource and referral agency to review data on the need for child care and development services for participants eligible for services under this division.

(i) Develop and implement a plan for participation in the planning process, program development, and program evaluation by representatives of eligible participants and service providers within the service delivery area, including all types of public and private vocational education agencies and schools, public assistance recipients, participants in services under this division, and child care resource and referral agencies.

(j) Prepare and distribute to interested parties a quarterly program assessment for review and comment.

SEC. 3. Section 15043 of the Unemployment Insurance Code is amended to read:

15043. Service delivery area plans shall contain provisions required by the federal Job Training Partnership Act and this division, including but not necessarily limited to, the following:

(a) A description of the service delivery area's system for administering and delivering services including private industry council membership.

(b) A description of, and the rationale for, the service delivery area's eligibility and services priorities, the types of services and training provided, the industries and occupations of training, the criteria for the content and quality of training, the entities delivering services, and the performance measures used.

(c) A description of the coordination with and the uses made of other agencies and organizations within the service delivery area providing job training, vocational education, client advocacy, child care and employment services, which shows the value of these other resources in addressing the needs reflected in the plan. This shall include a description of how the plan meets the needs of participants served under county plans developed pursuant to Article 3.2 (commencing with Section 11320) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code.

(d) A proposed budget for the planning period describing program objectives, services to be provided for the purpose of achieving those objectives, the sources and amounts of funds to be allocated to each type of service, and estimates of the number of persons in each eligibility category in need and the number of persons in each eligibility category to be served by each type of service. The budget shall also describe administrative objectives, the purpose and rationale for such objectives, and the sources and amounts of funds to be allocated to each objective.

(e) A status report on the activities of the current fiscal year describing progress toward achieving program and administrative objectives as well as other legislative requirements imposed by the current budget, including the current status and financial condition

of the federal and state funds allocated to the service delivery area and the capacity to meet current year objectives.

(f) A description of the activities, financial condition and accomplishments of the service delivery area's job preparation and training services program for the preceding fiscal year, including a description of the extent to which program and administrative objectives set forth for that year were realized, and a description of expenditures by sources of funds for services provided pursuant to this division in that year.

(g) A description of the condition of job preparation and training services taking place in the service delivery area, including an analysis of issues confronting the program and recommendations appropriate to resolve such issues.

(h) A description of the unmet child care needs of participants eligible for services under this division, including an assessment of the role of employers in reducing this barrier to participation.

(i) Assurance that economically disadvantaged women and minorities will be served with federal Job Training Partnership Act funds, with respect to Title I and Title II of the act, at a rate that approximates their rate of representation and need for job training among the economically disadvantaged within each service delivery area. If the goals of the plan are not designed to comply with this subdivision, the private industry council shall submit its justification for noncompliance to the State Job Training Coordinating Council and the Governor.

(j) Assurance that subdivision (g) of Section 15032 is adhered to within each service delivery area. Each service delivery area shall specify its plan for adhering with subdivision (g) of Section 15032, including, but not limited to, outreach to the target population.

CHAPTER 357

An act to amend Sections 924.1 and 939 of, and to add Section 939.11 to, the Penal Code, relating to grand juries.

[Approved by Governor July 15, 1986 Filed with Secretary of State July 16, 1986]

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

SECTION 1. Section 924.1 of the Penal Code is amended to read:

924.1. (a) Every grand juror who, except when required by a court, willfully discloses any evidence adduced before the grand jury, or anything which he himself or any other member of the grand jury has said, or in what manner he or she or any other grand juror has voted on a matter before them, is guilty of a misdemeanor.

(b) Every interpreter for the disabled appointed to assist a member of the grand jury pursuant to Section 939.11 who, except

when required by a court, willfully discloses any evidence adduced before the grand jury, or anything which he or she or any member of the grand jury has said, or in what manner any grand juror has voted on a matter before them, is guilty of a misdemeanor.

SEC. 2. Section 939 of the Penal Code is amended to read:

939. No person other than those specified in Article 3 (commencing with Section 934), and in Sections 939.1 and 939.11 is permitted to be present during the session of the grand jury except the members and witnesses actually under examination. No person other than those specified in Section 939.11 shall be permitted to be present during the expression of the opinions of the grand jurors, or the giving of their votes upon any matter before them.

SEC. 3. Section 939.11 is added to the Penal Code, to read:

939.11. Any member of the grand jury who has a hearing, sight, or speech disability may request an interpreter when his or her services are necessary to assist the juror to carry out his or her duties. The request shall be filed with the superior court. If the court, or the judge thereof, finds that an interpreter is necessary, the court shall make an order to that effect and may require by subpoena the attendance of any person before the grand jury as interpreter. If the services of an interpreter are necessary, the court shall instruct the grand jury and the interpreter that the interpreter is not to participate in the jury's deliberations in any manner except to facilitate communication between the disabled juror and the other jurors. The court shall place the interpreter under oath not to disclose any grand jury matters, including the testimony of any witness, statements of any grand juror, or the vote of any grand juror, except in the due course of judicial proceedings.

SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution as a result of those costs which may be incurred by a local agency or school district because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

SEC. 5. Reimbursement to local agencies and school districts for other costs mandated by the state pursuant to this act shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code and, if the statewide cost of the claim for reimbursement does not exceed five hundred thousand dollars ($500,000), shall be made from the State Mandates Claims Fund.

CHAPTER 358

An act to amend Section 1245.235 of the Code of Civil Procedure, relating to eminent domain.

[Approved by Governor July 15, 1986. Filed with Secretary of State July 16, 1986]

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

SECTION 1. Section 1245.235 of the Code of Civil Procedure is amended to read:

1245.235. (a) The governing body of the public entity may adopt a resolution of necessity only after the governing body has given each person whose property is to be acquired by eminent domain and whose name and address appears on the last equalized county assessment roll notice and a reasonable opportunity to appear and be heard on the matters referred to in Section 1240.030.

(b) The notice required by subdivision (a) shall be sent by first-class mail to each person described in subdivision (a) and shall state all of the following:

(1) The intent of the governing body to adopt the resolution.

(2) The right of such person to appear and be heard on the matters referred to in Section 1240.030.

(3) Failure to file a written request to appear and be heard within 15 days after the notice was mailed will result in waiver of the right to appear and be heard.

(c) The governing body, or a committee of not less than 11 members thereof designated by the governing body if the governing body has more than 40 members, shall hold a hearing at which all persons described in subdivision (a) who filed a written request within the time specified in the notice may appear and be heard on the matters referred to in Section 1240.030. Such a committee shall be reasonably representative of the various geographical areas within the public entity's jurisdiction. The governing body need not give an opportunity to appear and be heard to any person who fails to so file a written request within the time specified in the notice. If a committee is designated by the governing body pursuant to this subdivision to hold the hearing, the committee, subsequent to the hearing, shall provide the governing body and any person described in subdivision (a) who has appeared before the committee with a written summary of the hearing and a written recommendation as to whether to adopt the resolution of necessity. Any person described in subdivision (a) who has appeared before the committee shall also be given an opportunity to appear and be heard before the governing body on the matters referred to in Section 1240.030.

(d) Notwithstanding subdivision (b), the governing body may satisfy the requirements of this section through any other procedure that has given each person described in subdivision (a) reasonable

written personal notice and a reasonable opportunity to appear and be heard on the matters referred to in Section 1240.030.

CHAPTER 359

An act to amend Sections 4537 of the Penal Code, and to amend Sections 828 and 1155 of, and to add Section 1764.1 to, the Welfare and Institutions Code, relating to escapes.

[Approved by Governor July 15, 1986 Filed with Secretary of State July 16, 1986]

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

SECTION 1. Section 4537 of the Penal Code is amended to read:

4537. The person in charge of any secure detention facility, including, but not limited to, a prison, a juvenile hall, a county jail, or any institution under the jurisdiction of the California Youth Authority, shall promptly notify the chief of police of the city in which the facility is located, or the sheriff of the county if the facility is located in an unincorporated area, of an escape by a person in its custody. The person in charge of any secure detention facility under the jurisdiction of the Department of Corrections or the Youth Authority shall release the name of, and any descriptive information about, any person who has escaped from custody to other law enforcement agencies or to other persons if the release of the information would be necessary to assist in recapturing the person or would be necessary to protect the public from substantial physical harm.

SEC. 2. Section 828 of the Welfare and Institutions Code is amended to read:

828. (a) Except as provided in Sections 389 and 781 of this code or 1203.45 of the Penal Code, any information gathered by a law enforcement agency relating to the taking of a minor into custody may be disclosed to another law enforcement agency, or to any person or agency which has a legitimate need for the information for purposes of official disposition of a case. When the disposition of a taking into custody is available, it shall be included with any information disclosed.

A court shall consider any information relating to the taking of a minor into custody, if the information is not contained in a record which has been sealed, for purposes of determining whether adjudications of commission of crimes as a juvenile warrant a finding that there are circumstances in aggravation pursuant to Section 1170 of the Penal Code or to deny probation.

(b) When a law enforcement agency has been notified pursuant to Section 1155 that a minor has escaped from a secure detention facility, the law enforcement agency shall release the name of, and

any descriptive information about, the minor to a person who specifically requests this information. The law enforcement agency may release the information on the minor without a request to do so if it finds that release of the information would be necessary to assist in recapturing the minor or that it would be necessary to protect the public from substantial physical harm.

SEC. 3. Section 1155 of the Welfare and Institutions Code is amended to read:

1155. The person in charge of any secure detention facility, including, but not limited to, a prison, a juvenile hall, a county jail, or any institution under the jurisdiction of the California Youth Authority, shall promptly notify the chief of police of the city in which the facility is located, or the sheriff of the county if the facility is located in an unincorporated area, of an escape by a person in its custody. The person in charge of any secure detention facility under the jurisdiction of the Department of Corrections or the Youth Authority shall release the name of, and any descriptive information about, any person who has escaped from custody to other law enforcement agencies or to other persons if the release of the information would be necessary to assist in recapturing the person or would be necessary to protect the public from substantial physical harm.

SEC. 4. Section 1764.1 is added to the Welfare and Institutions Code, to read:

1764.1. Notwithstanding any other provision of law, the director or his or her designee may release the information listed in subdivisions (a) to (h), inclusive, of Section 1764 regarding a person committed to the Youth Authority by a juvenile court for an offense listed in subdivision (a) of Section 676 to any member of the public who requests the information unless the court has ordered confidentiality under subdivision (c) of Section 676.

SEC. 5. No reimbursement shall be made from the State Mandates Claims Fund pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code for costs mandated by the state pursuant to this act. It is recognized, however, that a local agency or school district may pursue any remedies to obtain reimbursement available to it under Part 7 (commencing with Section 17500) and any other provisions of law.

CHAPTER 360

An act to amend Sections 130.5, 1375.1, and 1597 of the Unemployment Insurance Code, relating to unemployment insurance, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 15, 1986 Filed with Secretary of State July 16, 1986]

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

SECTION 1. Section 130.5 of the Unemployment Insurance Code is amended to read:

130.5. "Benefit Audit Fund" means the Employment Development Department Benefit Audit Fund.

This section shall remain in effect only until January 1, 1990, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1990, deletes or extends that date.

SEC. 2. Section 1375.1 of the Unemployment Insurance Code is amended to read:

1375.1. If the director finds that an individual has been overpaid unemployment compensation benefits because he or she willfully, for the purpose of obtaining unemployment compensation benefits, either made a false statement or representation, with actual knowledge of the falsity thereof, or withheld a material fact, the director shall assess against the individual an amount equal to 30 percent of the overpayment amount. Assessments collected under this section shall be deposited in the Benefit Audit Fund.

This section shall remain in effect only until January 1, 1990, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1990, deletes or extends that date.

SEC. 3. Section 1597 of the Unemployment Insurance Code is amended to read:

1597. This article shall remain in effect only until January 1, 1990, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1990, deletes or extends that date. All moneys remaining when this article is repealed revert to the Employment Development Department Contingent Fund.

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

In order to continue the operation of the Benefit Audit Fund beyond its repeal date of December 31, 1986, it is necessary for this act to take effect immediately.

CHAPTER 361

An act to amend Sections 5500, 5503, 5605, 5654, 5713, 5755, 5758, 6050, 6453, 7453, 8051, 8052, 8156, 8157, 8158, and 8200 of, and to add Section 8055 to, the Financial Code, relating to savings associations.

[Approved by Governor July 15, 1986 Filed with Secretary of State July 16, 1986]

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

SECTION 1. Section 5500 of the Financial Code is amended to read:

5500. Within 60 days after issuance of an organizing permit under Article 1 (commencing with Section 5400) any person may request authority to form a capital stock or mutual association by filing with the commissioner three copies of a petition for a certificate of authority in the format prescribed by the commissioner, accompanied by the requisite filing fees and the proposed articles of incorporation in a form prescribed by the commissioner by regulations. This filing shall be in lieu of the requirements of paragraph (1) of subdivision (b) (for stock associations), and also subdivisions (d) and (e) (for mutual associations), of Section 202 of the Corporations Code. Unless accompanied by a certification that the appropriate form of preapproved bylaws set forth in regulations issued by the commissioner shall be adopted, the petition shall also be accompanied by three copies of proposed bylaws which shall make provisions for the following:

(a) Annual and special meetings of members or stockholders, and notice of meetings.

(b) Procedure for nomination of directors.

(c) Meetings of board of directors.

(d) Resignation and removal of directors.

(e) Compensation of directors.

(f) Officers.

(g) Execution of instruments.

(h) Evidence of savings accounts.

(i) Corporate seal.

(j) Fiscal year.

(k) Amendments.

(*l*) Disaster preparedness.

(m) Other matters, if any.

The petitioners shall submit with their petitions any applicable filing fee prescribed under Section 9001 and any statements, exhibits, maps, and other data that the commissioner may require by written instruction in a form which is sufficiently detailed and comprehensive to enable the commissioner to make a decision on the petition based on the criteria set out in Section 5502.

SEC. 2. Section 5503 of the Financial Code is amended to read:

5503. The commissioner shall, within a reasonable time after the petition is filed, or within a reasonable time after the hearing, if one is held, either approve or deny the petition for a certificate of authority. If approved, the commissioner shall issue a certificate of approval of the articles of incorporation of the association and shall issue a notice of conditional approval of the petition for a certificate of authority. Upon satisfaction of all of the conditions in the notice, the commissioner shall execute and issue to the association a certificate of authority. If denied, upon written request of any petitioner, the commissioner shall provide the statutory reason for denial. Denial of the petition is a final decision and the petitioner shall not be entitled to any further administrative remedy.

SEC. 3. Section 5605 of the Financial Code is amended to read:

5605. (a) Any association that does not commence business within one year after the date of the issuance of its certificate of approval of articles of incorporation shall forfeit its certificate of approval of articles of incorporation, unless the commissioner, before the expiration of the one year period, shall have approved the extension of time within which it may commence business, upon a written application stating the reasons for delay. Upon forfeiture, the association's certificate of approval of articles of incorporation shall expire. Amounts credited on savings accounts or paid in on capital stock, including any income earned on these funds, shall be returned on a pro rata basis to their respective subscribers.

(b) The commissioner shall immediately notify the Secretary of State of forfeiture under this section.

SEC. 4. Section 5654 of the Financial Code is amended to read:

5654. (a) Without the prior approval of the commissioner, as provided in this division, no association shall do any of the following:

(1) Establish or maintain any office, other than its home office, which shall be in the location named in the certificate of authority.

(2) Change the location or designation of any office from its approved location or designation.

(3) Change its corporate name by amendment of its articles of incorporation and its certificate of authority. A change of name is subject to the same criteria as set out in Sections 5650 and 5651.

(4) Amend its articles of incorporation.

(5) Establish or maintain a subsidiary.

(6) Acquire the assets or savings account liabilities from another financial institution.

(b) Applications for approval under this section shall be filed in the office of the commissioner, shall include information as prescribed by regulation or written instruction of the commissioner, and shall be accompanied by any filing fee prescribed by the commissioner pursuant to Section 9001.

(c) A public hearing may be held on applications filed under this section in accordance with procedures prescribed by law or by regulations adopted by the commissioner.

(d) No certificate of amendment or other certificate to amend the

articles of incorporation of an association shall be filed in the office of the Secretary of State unless there is attached thereto the certificate of the commissioner approving the same.

(e) Applicants filing under this division shall publish notice as prescribed by the commissioner.

SEC. 4.5. Section 5713 of the Financial Code is amended to read:

5713. After a meeting as provided for in Section 5710, the federal association shall take or cause to be taken such action as shall make it an association in the manner prescribed and authorized by this division. The directors elected at the meeting shall file the documents with applicable fees and take such proceedings as are required by this division in the case of the original incorporation of an association. The decision for approval or denial shall be issued in writing. No association incorporated by conversion from a federal association is required to comply with any of the provisions of law or any regulations promulgated by the commissioner relating to the minimum amounts of capital required to be subscribed in connection with the original incorporation of an association under this division.

SEC. 5. Section 5755 of the Financial Code is amended to read:

5755. When a merger or consolidation agreement has been approved by the directors and the stockholders or members of an association, the association shall mail notice of the approval to each of its stockholders or members at least 10 days before filing the certificate as provided in this section unless the consents of all stockholders or members entitled to vote have been solicited and received in writing.

After approval by the directors and stockholders or members has been given, the association shall prepare and submit to the commissioner for written approval a certificate in the form of an officers' certificate (Section 173 of the Corporations Code) which shall set forth the following:

(a) An identification of the agreement of merger or consolidation by reference to names of parties and date.

(b) That the agreement was approved by the board of directors of the association.

(c) The total number of outstanding shares of each class of stock entitled to vote, or in the case of a mutual association the total value of accounts outstanding.

(d) That the principal terms of the agreement were approved by the vote or written consent of a number of shares of each class of stock which equaled or exceeded the vote required, or in the case of a mutual association that approval by the members was not required by the commissioner or that the principal terms of the agreement were approved by the vote or written consent of members holding a total value of accounts which equaled or exceeded the vote required.

(e) The percentage vote required of each class.

(f) That the agreement for merger or consolidation submitted to the commissioner for written approval and for filing with the

Secretary of State concurrently with this certificate is the agreement hereinabove referred.

(g) Any additional matters that the commissioner may require.

SEC. 6. Section 5758 of the Financial Code is amended to read:

5758. The executed agreement, or an executed counterpart of it and the respective certificate of each constituent association and of the surviving association or any other corporation shall be filed with the Secretary of State. Neither the agreement nor any certificate shall be filed, however, unless the commissioner's written approval is attached and until there has been filed with the Secretary of State, by or on behalf of each association or any other corporation taxed under the provisions of Chapter 2 (commencing with Section 23101) of Part 11 of Division 2 of the Revenue and Taxation Code, the existence of which is terminated by the merger or consolidation, the certificate of satisfaction of the Franchise Tax Board that all taxes imposed by the act have been paid or secured. The effective date of the merger or consolidation under this article shall be the date of the filing with the Secretary of State of the copy of the approved agreement of merger or consolidation. A copy of the approved agreement certified by the Secretary of State shall be filed with the commissioner.

SEC. 7. Section 6050 of the Financial Code is amended to read:

6050. (a) The register of stockholders or members, the books of account, and the minutes of an association shall be subject to inspection upon the written demand of any stockholder or member holding at least 1 percent in the aggregate of the outstanding voting shares, and with the prior written approval of the commissioner, after notice to the association. Approval shall not be given unless the commissioner determines that the inspection is not contrary to the best interests of the association and its stockholders or members. Unless the written demand under this subdivision is approved, the commissioner shall hold a hearing to determine whether the demand should be approved. The hearing shall be held within 20 days of mailing a written notice to the association.

(b) Each association director shall have the right at any reasonable time to inspect all books, records, documents of every kind, and the physical properties of that association. The inspection may be made in person or by agent or attorney, and the right of inspection includes the right to make extracts. In the case of foreign associations the right of inspection extends only to books, records, documents and property located in this state.

(c) Savings account holders who are not stockholders, members or directors of an association shall have no right of inspection under this section.

SEC. 8. Section 6453 of the Financial Code is amended to read:

6453. Each association shall close its books at the close of business at least annually, or more often if authorized or required in writing by the commissioner.

SEC. 9. Section 7453 of the Financial Code is amended to read:

7453. (a) An association may make secured or unsecured loans for agricultural, business, corporate, or commercial purposes, provided that:

(1) With respect to loans made directly by an association, the total of agricultural, business, corporate, and commercial loans under this section shall not exceed 10 percent of the assets of the association.

(2) With respect to agricultural, business, corporate, or commercial loans originated by a commercial bank, subsidiary of a commercial bank, bank holding company or subsidiaries of a bank holding company located in this state, and either purchased by or participated in by an association, the total of such purchases and participations shall not exceed 10 percent of the assets of the association.

(b) No association shall make a loan for commercial, corporate, business, or agricultural purposes to one borrower, except as the commissioner may approve in writing, if the sum of the amount of the loan and the total balance of all outstanding loans for those purposes owed to the association by that borrower exceed the greater of (1) the amount a national bank having an identical total capital and surplus could lend to one borrower, or (2) the amount a commercial bank, as defined in Section 105, having an identical total shareholders' equity, capital notes, and debentures, could lend to one borrower. This subdivision shall not apply to loans (1) secured by real property, (2) to an association's service corporation or wholly owned subsidiary, (3) sold without recourse, (4) on the security of the association's deposit accounts, or (5) of unsecured day funds, including federal funds or similar unsecured loans.

(c) As used in this section the term "one borrower" means:

(1) Any person that is, or upon the making of a loan will become, an obligor on the loans. However, a guarantor shall not be included within the meaning of "obligor" if, in connection with a loan the association has determined, in good faith, that the primary obligor has qualified for the loan irrespective of the existence of the guarantor. In the case of a loan that has been assumed by a third party with the consent of the association, the former debtor and any guarantor shall not be deemed to be an "obligor."

(2) Nominees of the obligor.

(3) All persons, trusts, syndicates, partnerships and corporations of which the obligor is a nominee, a beneficiary, a member, a general partner, a limited partner owning an interest of 10 percent or more based on the value of his or her capital contribution, or a record or beneficial stockholder owning 10 percent or more of the capital stock.

(4) If the obligor is a trust, syndicate, partnership or corporation, all trusts, syndicates, partnerships and corporations of which any beneficiary, member, general partner, limited partner owning an interest of 10 percent or more based on the value of his or her capital contribution, or record or beneficial stockholder owning 10 percent or more of the capital stock, is also a beneficiary, member, general

partner, limited partner owning an interest of 10 percent or more based on the value of his or her capital contribution, or record or beneficial stockholder owning 10 percent or more of the capital stock of the obligor.

SEC. 10. Section 8051 of the Financial Code is amended to read:

8051. Each decision, order, or instruction shall be in writing signed by the commissioner or a deputy commissioner and shall be sent by registered or first-class mail, addressed to the home office of the appropriate association or person.

SEC. 11. Section 8052 of the Financial Code is amended to read:

8052. (a) The commissioner shall make a report to the Governor, through the Secretary of the Business, Transportation and Housing Agency, on or before the first day of August in each year, showing the condition of the savings association industry reporting to the department.

(b) The report shall contain recommendations that the commissioner deems proper and shall be accompanied by a detailed statement of all money received since the last report and the disposition of the money.

SEC. 12. Section 8055 is added to the Financial Code, to read:

8055. Every final decision of the commissioner is subject to judicial review in accordance with law. An action or proceeding for judicial review pursuant to this section shall be commenced within 60 days after issuance of the final decision.

SEC. 13. Section 8156 of the Financial Code is amended to read:

8156. (a) Each association shall at least annually cause its books and accounts to be audited at its own expense by a certified public accountant or firm of certified public accountants selected by the association and approved by the commissioner.

(b) The annual audit date and audit period shall be approved in writing by the commissioner prior to commencement of the audit.

SEC. 13.5. Section 8157 of the Financial Code is amended to read:

8157. (a) The commissioner may prescribe the scope of the annual audit and may require the auditor to furnish information in addition to that contained in the audit report.

(b) Each association shall furnish the commissioner annually, within 90 days after the end of the period covered by the audit, five copies of the financial statements, which shall be accompanied by a report signed by the auditor, prepared and containing the information prescribed in regulations of the commissioner. The financial statements shall be certified by the auditor.

SEC. 13.7. Section 8158 of the Financial Code is amended to read:

8158. (a) The commissioner, or any department employee authorized by the commissioner, shall have free access to all books and records of an association, savings and loan holding company, and any of their subsidiaries that relate to the business of the association, holding company, or subsidiary, and to the books and records kept by any officer, agent, or employee that relate to the business of the association, holding company, or subsidiary.

(b) The commissioner, or any department employee authorized by the commissioner, may summon witnesses and administer oaths or affirmations in the examination of the directors, officers, agents, or employees of any association, savings and loan holding company, any of their subsidiaries, or any other person, in relation to their affairs, transactions, and conditions, and may require and compel the production of records, books, papers, contracts, or other documents by court order, if not voluntarily produced.

SEC. 14. Section 8200 of the Financial Code is amended to read:

8200. (a) If the commissioner, as a result of any examination or from any report, shall find that any association, savings and loan holding company, or any of its subsidiaries, is violating the provisions of this division or the laws of this state or of the United States or any lawful order or regulation or is engaging in an unsafe or unsound business practice, the commissioner shall, by a formal written order delivered to the home office of the association or person named in the order, state any alleged violation or practice and the facts alleged in support of the violation or practice, and shall order discontinuance of the violation or practice and conformance with all requirements of law.

(b) The order shall specify an effective date, which may be immediate or may be at a later date, which shall remain in effect until withdrawn by the commissioner or until terminated by a court order.

(c) Any association or person affected by an order of the commissioner shall have the right to apply within 10 days after the delivery of the order to a court having jurisdiction for an immediate hearing and may request a stay of the order until the hearing has been completed. The hearing shall be held as provided in a notice to the commissioner by the court.

(d) The commissioner may, on or after the effective date of the order, apply for enforcement of the order to the superior court in the county in which the home office of the association or the person is located. The order shall be enforced ex parte and without notice by the court. The proceedings shall be given precedence over other cases pending in court, and shall in every way be expedited.

(e) Whether upon application by the commissioner or by the association or person, the court shall have power to and shall adjudicate the question and shall enter and enforce the proper order or orders.

CHAPTER 362

An act to amend Sections 605, 21651, and 22515 of the Vehicle Code, relating to motor vehicles.

[Approved by Governor July 15, 1986 Filed with Secretary of State July 16, 1986]

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

SECTION 1. Section 605 of the Vehicle Code is amended to read:

605. (a) "Tire chains" are chains or other devices which are designed for use on tires to improve stopping, traction, and cornering ability upon snow or ice-covered surfaces and which meet all of the following criteria:

(1) Cross members are spaced to provide at least one cross member in contact with the roadway at all times.

(2) Each cross member extends across at least 85 percent of the width of the tread.

(3) Major traction elements at least $^{9}/_{32}$ inch in height on each cross member at time of manufacture.

(4) At least four separate steel elements are in contact with the roadway at all times on each cross member.

(5) Each cross member is connected to two circular loops, one on each side of the tire, except for mechanisms designed to deploy and retract metal cross members under the tire when the vehicle is in motion.

(b) This section shall remain in effect only until December 31, 1987, at which time it is repealed, unless a later enacted statute, which is enacted before December 31, 1987, deletes or extends that date.

SEC. 2. Section 21651 of the Vehicle Code is amended to read:

21651. (a) Whenever a highway has been divided into two or more roadways by means of intermittent barriers or by means of a dividing section of not less than two feet in width, either unpaved or delineated by curbs, double-parallel lines, or other markings on the roadway, it is unlawful to do either of the following:

(1) To drive any vehicle over, upon, or across the dividing section.

(2) To make any left, semicircular, or U-turn with the vehicle on the divided highway, except through an opening in the barrier designated and intended by public authorities for the use of vehicles or through a plainly marked opening in the dividing section.

(b) It is unlawful to drive any vehicle upon a highway, except to the right of an intermittent barrier or a dividing section which separates two or more opposing lanes of traffic.

(c) A violation of subdivision (b) on a freeway is a misdemeanor.

SEC. 3. Section 22515 of the Vehicle Code is amended to read:

22515. (a) No person driving, or in control of, or in charge of, a motor vehicle shall permit it to stand on any highway unattended

without first effectively setting the brakes thereon and stopping the motor thereof.

(b) No person in control of, or in charge of, any vehicle, other than a motor vehicle, shall permit it to stand on any highway without first effectively setting the brakes thereon, or blocking the wheels thereof, to effectively prevent the movement of the vehicle.

SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

CHAPTER 363

An act to amend Sections 44681 and 44683 of the Education Code, relating to education.

[Approved by Governor July 15, 1986. Filed with Secretary of State July 16, 1986]

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

SECTION 1. Section 44681 of the Education Code is amended to read:

44681. The Legislature recognizes that the principal plays a pivotal role in the life of a school. Research indicates that at schools where pupil achievement is higher than might be expected, principals provide strong leadership and support. Teachers at these schools report that their principals facilitate innovation, support teachers in efforts to promote new ideas, and assist staff to acquire needed skills and materials. Other studies show that the principal is the most effective agent for bringing about educational improvement.

The Legislature further recognizes that although principal leadership is essential to effective instruction, research shows that many principals are neither prepared nor encouraged to be educational leaders. According to principals and others, administrator training does not always match responsibilities of the job, and opportunities for continuing development are inadequate.

The Legislature, by the provisions of this article, intends to provide site and central district administrators ongoing opportunities to improve their management and leadership skills. The Legislature intends that administrator support and development activities funded by this article will result in direct improvements in services to California public school pupils. The Legislature further intends that current funding for duplicative educational programs be redirected to fund the provisions of this article.

It is also the intention of the Legislature to enhance the desirability of teaching as a profession by promoting a school environment that facilitates a constructive working relationship between teachers and administrators.

SEC. 2. Section 44683 of the Education Code is amended to read:

44683. (a) The three-year plan developed pursuant to paragraph (1) of subdivision (b) of Section 44682 shall address, but need not be limited to, objectives identified pursuant to Sections 44670.4, 52014, and 52015, and the capacity of site and central district administrators to provide leadership necessary to do the following:

(1) Improve instructional, management, human development, and counseling skills.

(2) Ensure that curricula, instruction, and materials are keyed to the educational needs of each pupil, with particular emphasis on pupils who have not achieved proficiency in basic reading, writing, and computational skills, limited and non-English speaking pupils, disadvantaged pupils, and pupils with exceptional abilities or needs.

(3) Develop curricula and instructional materials in a wide variety of areas such as arts and humanities and physical, natural, and social sciences.

(4) Promote, facilitate, and ensure active participation of the school staff in the school decisionmaking process, and collaboration among the school staff, and among the staff and members of the school community, in the educational and administrative planning, implementing, and evaluating of the school program.

(5) Improve the school and classroom environment, including relationships between and among pupils, school personnel, and community members, including parents.

(6) Make available followup activities to assist participating individuals in using newly acquired skills on the job.

(b) Each three-year plan shall describe the following:

(1) General staff development objectives and steps necessary to achieve the objectives in subdivision (a), including intended outcomes.

(2) A proposed budget.

(3) Procedures for ongoing evaluation and modification of training activities, including evaluation on a continuing basis by participating administrators and outside personnel as necessary.

(c) Administrator training and evaluation programs shall be designed and implemented under the direction of participating school and district administrators, including the district administrators or administrators responsible for supervision of curriculum and instruction, and in cooperation with teacher training institutions. The programs shall allow for diversity in development activities, including, but not limited to, small groups, self-directed learning, and systematic observation during visits to other schools.

The district administrator or administrators responsible for curriculum and instruction, or other central district administrators shall be included as active participants in one or more staff

development activities pursuant to this article whenever appropriate.

The amendments made to Section 44681 and to paragraph (4) of subdivision (a) of this section by the Statutes of 1986 shall be applicable only to three-year plans developed on or after January 1, 1987.

CHAPTER 364

An act to amend Section 387 of the Water Code, relating to water.

[Approved by Governor July 15, 1986 Filed with Secretary of State July 16, 1986]

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

SECTION 1. Section 387 of the Water Code is amended to read:

387. Any agreement for the transfer of water under the provisions of this chapter shall be for a period not to exceed seven years unless a longer period of time is mutually agreed upon by the agency and the transferee.

CHAPTER 365

An act to amend Section 26.1 of the Santa Clara Valley Water District Act (Chapter 1405 of the Statutes of 1951), relating to groundwater within Santa Clara County.

[Approved by Governor July 15, 1986 Filed with Secretary of State July 16, 1986]

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

SECTION 1. Section 26.1 of the Santa Clara Valley Water District Act (Chapter 1405 of the Statutes of 1951) is amended to read:

Sec. 26.1. As used in connection with the ground water charge, the following words shall mean:

"Person," "owner," or "operator" means public agencies, federal, state, and local, private corporations, firms, partnerships, individuals or groups of individuals, whether legally organized or not; "owner" or "operator" also means the person to whom a water-producing facility is assessed by the county assessor, or, if not separately assessed, the person who owns the land upon which a water-producing facility is located.

"Groundwater" means nonsaline water beneath the natural surface of the ground, whether or not flowing through known and definite channels; "nonsaline water" means water which has less

than 1,000 parts of chlorides to 1,000,000 parts of water, both quantities measured by weight.

"Production" or "producing" means the extraction or extracting of groundwater, by pumping or any other method, from shafts, tunnels, wells (including, but not limited to, abandoned oil wells), excavations or other sources of groundwater, for domestic, municipal, irrigation, industrial, or other beneficial use, except that the terms do not mean or include the extraction of groundwater produced in the construction or reconstruction of a well, or water incidentally produced with oil or gas in the production thereof, or water incidentally produced in a bona fide mining or excavating operation or water incidentally produced in the bona fide construction of a tunnel, unless the groundwater so extracted shall be used or sold by the producer for domestic, municipal, irrigation, industrial, or other beneficial purpose.

"Water-producing facility" means any device or method, mechanical or otherwise, for the production of water from the groundwater supplies within the district or a zone thereof.

"Water production statement" means the certified statement filed by the owner or operator of a water-producing facility with the district of the production of groundwater of the facility in a specified period.

"Water year" means July 1st of one calendar year to June 30th of the following calendar year.

"Agricultural water" means water primarily used in the commercial production of agricultural crops or livestock.

SEC. 2. The Santa Clara Valley Water District is hereby requested to study and report to the Legislature by July 1, 1987, on any new aquifers, other than those currently used, to supply drinking water.

CHAPTER 366

An act to amend Section 4357 of the Civil Code, and to add Section 583.161 to the Code of Civil Procedure, relating to support.

[Approved by Governor July 15, 1986. Filed with Secretary of State July 16, 1986]

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

SECTION 1. Section 4357 of the Civil Code is amended to read:

4357. (a) During the pendency of any proceeding under Title 3 (commencing with Section 4500), Title 4 (commencing with Section 4600) or Title 5 (commencing with Section 4700) of this part, the superior court may order the husband or wife, or father or mother, as the case may be, to pay any amount that is necessary for the support and maintenance of the wife or husband and for the support,

maintenance and education of the children, as the case may be. An order made pursuant to this section shall not prejudice the rights of the parties or children with respect to any subsequent order which may be made. Any such order may be modified or revoked at any time except as to any amount that may have accrued prior to the date of filing of the notice of motion or order to show cause to modify or revoke.

(b) Notwithstanding any other provision of law, orders for child support entered pursuant to this section remain in full force and effect until revoked by the court or until the order terminates by operation of law pursuant to Sections 196, 196.5, and 4700 of the Civil Code, notwithstanding that the proceeding has not been brought to trial within the time limits specified in Chapter 1.5 (commencing with Section 583.110) of Title 8 of Part 2 of the Code of Civil Procedure. However, such an order is not enforceable during any period in which the parties have reconciled and are living together, unless the order specifies otherwise.

SEC. 2. Section 583.161 is added to the Code of Civil Procedure, to read:

583.161. No petition filed pursuant to Section 4503 of the Civil Code shall be dismissed pursuant to this chapter if an order for child support has been issued in connection with the proceeding and the order has not been revoked by the court or has not terminated pursuant to Sections 196, 196.5, and 4700 of the Civil Code.

CHAPTER 367

An act to amend Section 653w of the Penal Code, relating to recordings.

[Approved by Governor July 15, 1986 Filed with Secretary of State July 16, 1986]

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

SECTION 1. Section 653w of the Penal Code is amended to read:

653w. A person is guilty of failure to disclose the origin of a recording when, for commercial advantage or private financial gain, he or she knowingly advertises or offers for sale or resale, or sells or resells, or rents, or possesses for these purposes, any recording, the outside cover box or jacket of which does not clearly and conspicuously disclose the actual true name and address of the manufacturer thereof and the name of the actual author, artist, performer, producer, programmer, or group. This section does not require the original manufacturer or authorized licensees of software producers to disclose the contributing authors or programmers.

As used in this section, "recording" means any tangible medium upon which information, sounds, or images are recorded or

otherwise stored, including any phonograph record, disc, tape, audio or video cassette, wire, film, or other medium on which information, sounds, or images are recorded or otherwise stored.

Failure to disclose the origin of a recording is a misdemeanor punishable by imprisonment in the county jail not exceeding six months, or by a fine not to exceed five thousand dollars ($5,000).

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

CHAPTER 368

An act to amend Section 8560 of, and to add Section 8568.5 to, the Fish and Game Code, relating to marine resources, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 16, 1986 Filed with Secretary of State July 16, 1986]

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

SECTION 1. The Legislature finds and declares as follows:

(a) Increased access to the swordfish fishery will benefit the economy and availability of this important food.

(b) The decline and collapse of the domestic tuna harvesting and processing industry in California and its relocation to foreign ports and plants has been estimated to have had a negative economic impact of 1.3 billion dollars ($1,300,000,000) on the national economy and has increased the deficit in the balance of trade by nearly 60 million dollars ($60,000,000) in the four years of 1980 to 1984, which has increased in 1985.

(c) Some remaining tuna fishermen operating from California have fished off Mexico under permits from Mexico since it imposed a 200-mile economic and fisheries zone and after negotiating access to Mexican ports and bays. These permits are no longer economically available through causes beyond the control of the fishermen.

(d) The economy of this state would substantially benefit from retaining the operation of deep sea fishing vessels from our ports, promoting the resurrection of California-based commercial fish harvesting and processing industries.

(e) Access to the restricted and limited swordfish fishery by displaced tuna fishermen is an economically viable alternative to alleviate and, possibly, reverse the loss of their valuable experience from California, with close regulation to prevent overharvest of the

shark fishery with which the swordfish fishery is closely associated.

SEC. 2. Section 8560 of the Fish and Game Code is amended to read:

8560. The Legislature finds and declares as follows:

(a) The drift gill net shark fishery is expanding at a rapid rate.

(b) The principal species taken by the fishery are long-lived and have a low rate of reproduction.

(c) The drift gill net shark fishery affects the important swordfish and marlin fisheries.

Therefore, the department shall study the drift gill net shark fishery for biological and fishery management purposes and shall prepare a report on the status of the thresher shark and swordfish resources off California and on the effects of the fishery on other resources and submit this report to the Legislature on or before January 1, 1989.

SEC. 2.5. Section 8560 of the Fish and Game Code is amended to read:

8560. The Legislature finds and declares as follows:

(a) The drift gill net shark fishery is expanding at a rapid rate.

(b) The principal species taken by the fishery are long-lived and have a low rate of reproduction.

(c) The drift gill net shark fishery affects the important swordfish and marlin fisheries.

(d) The swordfish resource in both California waters and Pacificwide is in a healthy condition.

Therefore, the department shall study the drift gill net shark fishery for biological and fishery management purposes and shall prepare a report on the status of the thresher shark and swordfish resources off California and on the effects of the fishery on other resources and submit this report to the Legislature on or before January 1, 1989.

SEC. 3. Section 8568.5 is added to the Fish and Game Code, to read:

8568.5. (a) Notwithstanding Sections 8568, 8569, and 8570, a drift gill net shark and swordfish permit may also be issued to a person meeting all of the following requirements:

(1) Possession of a California commercial fishing license for at least 15 years.

(2) Possession of a general gill net permit issued under Section 8681.

(3) Previously possessed a license from the Republic of Mexico permitting fishing for tuna in Mexican waters for at least two seasons prior to the 1985 calendar year.

(4) Landed tuna from the vessel used in Mexican waters which was owned by that person in at least two seasons prior to the 1985 calendar year.

(5) Ownership of a shark and swordfish gill net of at least 14-inch mesh and reel of a value of at least twenty-five thousand dollars ($25,000).

(6) Ownership or an ownership interest in a vessel suitable to take shark or swordfish with drift gill nets.

(b) Evidence satisfactory to the department to show proof of qualifications, including copies of the Mexican license issued for at least two seasons prior to 1985, shall be submitted with the application for a permit under this section, except that the applicant may satisfy the requirements of paragraphs (5) and (6) of subdivision (a) within six months after his or her application for a permit is received by the department. After satisfaction of those requirements, the department shall issue the permit.

(c) Applications for a permit shall be delivered to the headquarters office of the department in Sacramento, or mailed with a postmark, within 10 days, exclusive of Saturday, Sunday, or holidays, after the effective date of this section as added in the 1985–86 Regular Session of the Legislature.

(d) On and after seven months after that effective date of this section, the department shall issue no additional permits under this section.

(e) Section 8101 does not apply to any permit authorized to be issued under this section.

(f) A permit may be reissued only to the person who was originally issued the permit pursuant to this section and who continues to meet the requirements of a prior permittee pursuant to subdivision (a) of Section 8568 or who becomes entitled to the permit pursuant to subdivisions (b) and (c) of Section 8102 and in the immediately following permit year meets the requirements of a prior permittee pursuant to subdivision (a) of Section 8568.

(g) Notwithstanding the seasons specified in subdivisions (a), (b), and (c) of Section 8575, a permittee issued a permit under this section shall not use drift gill nets to take shark or swordfish between May 1 and May 31 within 75 nautical miles from the mainland coastline. Except as expressly provided in this section, a permittee under this section shall otherwise comply with the requirements of this article.

SEC. 4. Section 2.5 of this bill incorporates amendments to Section 8560 of the Fish and Game Code proposed by both this bill and AB 2914. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 1987, but this bill becomes operative first, (2) each bill amends Section 8560 of the Fish and Game Code, and (3) this bill is enacted after AB 2914, in which case Section 8560 of the Fish and Game Code, as amended by Section 2 of this bill, shall remain operative only until the operative date of AB 2914, at which time Section 2.5 of this bill shall become operative.

SEC. 5. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty

for a crime or infraction, or eliminates a crime or infraction.

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

In order for the provisions of this act to become effective for as much of the shark and swordfish season beginning on May 1, 1986, as possible, it is necessary that this act take effect immediately.

CHAPTER 369

An act to amend Sections 22238 and 22724 of, to add Section 22204.6 to, the Education Code, and to amend Section 20215 of the Government Code, relating to public retirement systems.

[Approved by Governor July 16, 1986 Filed with Secretary of State July 16, 1986]

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

SECTION 1. Section 22204.6 is added to the Education Code, to read:

22204.6. Due to an increase in the demand for retirement counseling services, the system, notwithstanding any other provision of law, may contract with a county superintendent or other employing agency to provide retirement counseling, employing retired public employees on a part-time basis for that purpose, unless and until the study required by subdivision (b) of Section 7 of Chapter 1532 of the Statutes of 1985 recommends against the employment of retired public employees for these purposes. This authorization is subject to the availability of funds appropriated for that purpose in the annual Budget Act.

SEC. 2. Section 22238 of the Education Code, as amended by Chapter 69 of the Statutes of 1986, is amended to read:

22238. Notwithstanding any other provision of law, the board may, pursuant to Section 22222 and in conformance with its fiduciary duty as set forth in Section 22225.5, enter into correspondent agreements with private lending institutions in this state to utilize the retirement fund to assist system members and retirants, through financing, to obtain homes in this state.

The terms and conditions of the correspondent agreements shall address all of the following:

(a) That home loans be made available to currently employed members and retirants for the purchase of single-family dwellings, single-family cooperative apartments, and single-family condominiums.

(b) That the private lending institution shall originate and service these home loans.

(c) That the recipients of the loans occupy the homes as their permanent residences pursuant to rules and regulations adopted by the board or as these terms are defined in the correspondent agreements.

(d) That home loans shall be available only for the purchase of homes in this state.

(e) That the amount and length of the loans shall include terms and conditions that set a loan to value ratio of a maximum of 95 percent for the first loan, and 80 percent for each additional loan. The portion of any loan exceeding 80 percent of value shall be insured by an admitted mortgage guaranty insurer conforming to the provisions of Chapter 2A (commencing with Section 12640.01) of Part 6 of Division 2 of the Insurance Code in an amount so that the unguaranteed portion of the loan does not exceed 75 percent of the market value of the property together with improvements thereon.

(f) That there may be prepayment penalties assessed on loans, the terms and conditions of which shall be set forth in the correspondent agreement.

(g) That the criteria and terms for loans shall provide the greatest benefit to members and retirants consistent with the financial integrity of the program and the sound investment of the retirement fund.

(h) That loans shall not be made at a rate lower than the market rate.

(i) Such other terms and conditions as the parties to the correspondent agreement may deem appropriate.

SEC. 3. Section 22724 of the Education Code is amended to read:

22724. Notwithstanding any other provision of this chapter, the governing board of a school district or a community college district or a county superintendent of schools may establish regulations which allow an employee who is a member of this system to reduce his or her workload from full-time to part-time duties, and receive the service credit the member would receive if the member was employed on a full-time basis and have his or her retirement allowance, as well as any other benefits that the member is entitled to under this part, based upon the salary that the member would have received if employed on a full-time basis.

The regulations shall include, but shall not be limited to, the following:

(a) The option of part-time employment shall be exercised at the request of the member and can be revoked only with the mutual consent of the employer and the member.

(b) The member shall have been employed full time in a position requiring membership in this system for at least 10 years of which the immediately preceding five years were full-time employment.

(c) During the period immediately preceding a request for a reduction in workload, the employee shall have been employed full time in a position requiring membership in this system for a total of at least five years without a break in service. For purposes of this

subdivision, sabbaticals and other approved leaves of absence shall not constitute a break in service. Time spent on a sabbatical or other approved leave of absence shall not be used in computing the five-year full-time service requirement prescribed by this subdivision.

(d) The member shall have reached the age of 55 prior to reduction in workload.

(e) The period of part-time employment shall not exceed 10 years.

(f) The minimum part-time employment shall be the equivalent of one-half of the number of days of service required by the member's contract of employment during his or her final year of service in a full-time position.

(g) The member shall be paid a salary which is the pro rata share of the salary the member would be earning had he or she not elected to exercise the option of part-time employment.

Prior to the reduction of an employee's workload under this section, the district personnel responsible for the administration of this program, in conjunction with the administrative staff of the State Teachers' Retirement System and the Public Employees' Retirement System, shall verify the eligibility of the applicant for the reduced workload program.

The member shall contribute to the Teachers' Retirement Fund the amount that would have been contributed had the member been employed full time.

The employer shall contribute to the Teachers' Retirement Fund an amount based upon the salary that would have been paid to the member had the member been employed full time and at the rate specified by the board.

The employer shall maintain the necessary records to separately identify each member receiving credit pursuant to this section.

SEC. 4. Section 20215 of the Government Code is amended to read:

20215. Notwithstanding any other provision of law, the board may establish a program utilizing the retirement fund to assist system members and annuitants, through financing, to obtain homes in this state.

The board shall adopt regulations governing the program which shall, among other things, provide:

(a) That home loans be made available to currently employed members and annuitants for the purchase of single-family dwellings, single-family cooperative apartments, and single-family condominiums.

(b) That private lending institutions in this state shall originate and service such home loans pursuant to agreements entered into between such institutions and the board.

(c) That the recipients of the loans occupy the homes as their permanent residences in accord with rules and regulations established by the board.

(d) That such home loans shall be available only for the purchase of homes in this state.

(e) That the amount and length of the loans shall be pursuant to a schedule periodically established by the board which shall provide a loan to value ratio of a maximum of 95 percent for the first loan and 80 percent for each additional loan. The portion of any loan exceeding 80 percent of value shall be insured by an admitted mortgage guaranty insurer conforming to the provisions of Chapter 2A (commencing with Section 12640.01) of Part 6 of Division 2 of the Insurance Code in an amount so that the unguaranteed portion of the loan does not exceed 75 percent of the market value of the property together with improvements thereon.

(f) That there may be prepayment penalties assessed on such loans in accordance with rules and regulations established by the board.

(g) That the criteria and terms for such loans shall provide the greatest benefit to members and annuitants consistent with the financial integrity of the program and the sound investment of the retirement fund.

(h) Such other terms and conditions as the board shall deem appropriate.

CHAPTER 370

An act to add Article 2.5 (commencing with Section 89050) to Chapter 1 of Part 55 of the Education Code, relating to the California State University.

[Approved by Governor July 16, 1986 Filed with Secretary of State July 16, 1986]

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

SECTION 1. Article 2.5 (commencing with Section 89050) is added to Chapter 1 of Part 55 of the Education Code, to read:

Article 2.5. Study by the Trustees

89050. (a) The Legislature finds and declares all of the following:

(1) Many school districts are developing year-round programs in an effort to relieve overcrowding. This development affects the ability of teacher educators to match their programs for student teachers to district calendars and to provide in-service training to certificated teachers.

(2) Chapter 498 of the Statutes of 1983 requires teacher educators to spend substantial time working in public school classrooms every three years; however, there is no mechanism identified to implement this provision.

(3) Many faculty in the California State University system use mastery learning and criterion referenced assessments in their teaching. The current grading system does not appear to be appropriate for these teaching methods.

(b) The trustees shall study and assess, with input from the academic senate, the exclusive bargaining agent, students, and other affected constituents, the implications and impact of the developments described in subdivision (a). The study and assessment shall be completed and submitted to the Legislature on or before September 1, 1987. In light of those developments, and in addition to any other appropriate considerations, the trustees shall develop, if necessary and desirable, a budgetary proposal for consideration by the Governor and the Legislature through the normal budget process.

CHAPTER 371

An act to amend Section 45134 of the Education Code, relating to school employment.

[Approved by Governor July 16, 1986 Filed with Secretary of State July 16, 1986.]

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

SECTION 1. Section 45134 of the Education Code is amended to read:

45134. (a) Notwithstanding any other provisions of law, no minimum or maximum age limits shall be established for the employment or continuance in employment of persons a part of the classified service.

(b) Any person possessing all of the minimum qualifications for any employment shall be eligible for appointment to that employment, and no rule or policy, either written or unwritten, heretofore or hereafter adopted, shall prohibit the employment or continued employment, solely because of the age of any such person in any school employment who is otherwise qualified therefor.

(c) No person shall be employed in school employment while he or she is receiving a retirement allowance under any retirement system by reason of prior school employment, except that a person may be hired as an aide in one of the following circumstances:

(1) An aide is needed in a class with a high pupil-teacher ratio.

(2) An aide is needed to provide one-on-one instruction in remedial classes or for underprivileged students.

A person working as an aide pursuant to this subdivision shall not receive service credits for purposes of the State Teachers' Retirement System.

(d) The provisions of subdivision (c) shall be inapplicable to

persons who were employed in the classified service of any school district as of September 18, 1959, and who are still in the employ of the same district on the effective date of this subdivision, and the rights of such persons shall be fixed and determined as of September 18, 1959; and no such person shall be deprived of any right to any retirement allowance or eligibility for any such allowance to which he would have been entitled as of that date. Any such person who, by reason of any provision of law to the contrary, has been deprived of any right to retirement allowance or eligibility for such an allowance, shall, upon the filing of application therefor, be reinstated to such rights as he would have had had this subdivision been in effect on September 18, 1959.

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

CHAPTER 372

An act to add Title 4.5 (commencing with Section 1922) to Part 4 of Division 3 of the Civil Code, relating to appraisals.

[Approved by Governor July 16, 1986 Filed with Secretary of State July 16, 1986]

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

SECTION 1. Title 4.5 (commencing with Section 1922) is added to Part 4 of Division 3 of the Civil Code, to read:

TITLE 4.5. APPRAISALS OF REAL PROPERTY

1922. This title shall be known and may be cited as the Lancaster-Montoya Appraisal Act.

1922.1. As used in this title, the following terms have the following meanings:

(a) "Certified appraisal" means an act or process, for or in expectation of compensation, to produce an analysis, opinion, or conclusion relating to the value of specified interests in identified real property, when that act or process or the communication of its results is termed or designated as a "certified appraisal" or by any other term or identification which is likely to be confused with a certified appraisal, including, but not limited to, "registered appraisal" or "licensed appraisal," or is knowingly performed or prepared in response to a requirement or provision in law for the performance or furnishing of a certified appraisal. "Certified appraisal" does not include an appraisal or opinion of value, or any analysis, opinion, or conclusion, which is not so termed, designated, or otherwise identified as a certified appraisal.

(b) "Certified appraisal report" means any communication, written or oral, of an analysis, opinion, or conclusion relating to the value of real property which is termed as a certified appraisal report or is in any way described as a communication of the results of a certified appraisal.

(c) "Compensation" means compensation for performing the act or process of a certified appraisal or preparing, rendering, or communicating a certified appraisal report, and not for the performance on any activities collateral thereto.

1922.2. Any person performing a certified appraisal of real property in this state, shall do all of the following:

(a) Employ and utilize methods and techniques that are necessary to produce a credible appraisal and which are those generally recognized by persons engaged in the performance of certified appraisals.

(b) Utilize due diligence to ensure that any data that would materially affect the appraiser's analysis, opinion, or conclusion, has been considered with appropriate care to produce an informed result.

(c) Refuse to perform any part of the appraisal process with respect to which the person undertaking to appraise the real property reasonably believes he or she does not have adequate knowledge or experience to competently perform.

(d) When an opinion or conclusion of value to be expressed includes the value of structures or improvements which do not exist at the time of the appraisal, appraise these proposed improvements only after examining all of the following:

(1) Plans, specifications, or other documentation sufficient to identify the scope and character of the proposed improvements.

(2) Evidence indicating the probable time of completion of the proposed improvements.

(3) Reasonably clear and appropriate evidence of development costs.

(e) Base estimates of anticipated future income and expenses which form a basis for value, on reasonably clear and appropriate evidence and reasonable projections in the marketplace.

1922.4. Any person performing a certified appraisal of real property shall do all of the following:

(a) Identify the purpose and scope of the appraisal.

(b) Specify the value concept to be derived, together with any factors or adjustments used to produce value. Value concepts may include:

(1) Fair market value for property tax purposes, as defined in Section 110 of the Revenue and Taxation Code.

(2) Fair market value for purposes of eminent domain, as defined in Section 1263.320 of the Code of Civil Procedure.

(3) Public utility value, including going-concern value, as it would be derived pursuant to Part 1 (commencing with Section 201) of Division 1 of the Public Utilities Code.

(4) Fair market value for purposes of reviewing the lending practices of financial institutions, as defined in subdivision (b) of Section 35805 of the Health and Safety Code.

(5) Market value, as defined by regulations or criteria of any federal or state regulatory agency, or federal or state chartered secondary mortgage market institution, for purposes of loan underwriting.

(6) Other published or cited or defined concepts.

(c) Identify the real property or interest in real property appraised, together with any personal property to be considered in reaching any estimation or conclusion of value.

(d) Establish the date of the certified appraisal report and the date for which the valuation is effective, if different from the date of the report.

(e) Identify and analyze the highest and best use of the property, or interest in the property, or expressly conclude why consideration of that factor is deemed not necessary or appropriate, and the reasons for that conclusion.

(f) Determine and set forth, with sufficient precision for the purposes of the appraisal, the facts, assumptions, and conditions upon which the appraisal was based and the impact they have on any conclusion reached.

(g) Select and pursue the appraisal procedure or procedures to be followed and the data to be considered in following that procedure, identify whether that procedure is the direct sales comparison approach, the income approach, the cost approach, some other analysis or appraisal approach appropriate for the assignment, or a combination of these approaches, and determine why any specific approach or approaches are selected. If more than one approach is selected, any differences in opinions or conclusions which result shall be reconciled. If the direct sales comparison approach, the income approach, or the cost approach is not used, this omission or the use of alternative approaches in the appraisal report shall be explained and supported.

(h) Identify and analyze any current agreement of sale, option, or listing, as defined in Section 1086, of the interest to be appraised, if this information is reasonably available to the appraiser in the normal course of business.

(i) Identify and analyze any prior sales of the interest to be appraised, if information on these sales is reasonably available to the appraiser in the normal course of business and if those sales occurred within:

(1) One year, if the interest comprises a fee in real property containing one to four residential units.

(2) Three years for all other interests.

(j) Inspect the real property with the ordinary care used by persons making these inspections for appraisal purposes, or delegate the inspection to a person competent to perform it, and identify that person in the appraisal report and review a report of that inspection,

or disclose to the user of the appraisal that no inspection of the real property has been made and the reason therefor.

1922.6. (a) Any certified appraisal report shall be presented in clear and unequivocal terms with sufficient information to enable the user of that report or any person who may be expected to rely on it, to understand it properly, and in such a manner to avoid being misleading.

(b) Any written certified appraisal report shall include, but not be limited to, all of the following:

(1) A specific discussion of each of the items specified in subdivisions (d) and (e) of Section 1922.2 and in Section 1922.4.

(2) Disclosure of any other material fact.

(3) A discussion of any qualifications of the opinions or conclusions contained in the report or, in contrast with generally recognized appraisal practices, any limitations on the scope of the report or omissions.

(4) A statement as to whether any person other than the appraiser whose signature appears on the report, prepared the analysis, opinion, or conclusions contained in the report, and, if so, the identity of that person.

(5) A statement as to whether the person signing the report has a present or contemplated future interest in the property which is the subject of the appraisal or has a relationship with the owner of the property or with the prospective user of the appraisal data which would constitute a conflict of interest. If the report contains an affirmative statement with respect to these factors, it shall also include a conspicuous and accurate statement of the relationship.

(6) A certification that the statements of fact contained in the report are true and correct, to the best knowledge and belief of the appraiser.

(7) A certification that the analysis, opinion, and conclusions were developed and the report was prepared in conformity with the provisions of this title, or a statement of the particulars for which that certification is not made.

1922.8. No person shall do any of the following:

(a) Accept an engagement to make a certified appraisal or to prepare a certified appraisal report in which the employment itself or the fee payable for the service is contingent upon the appraiser reporting a predetermined or specified amount of value, or in which the employment or fee to be paid is otherwise contingent upon a preestablished analysis, opinion, or conclusion or preestablished finding in the certified appraisal report.

(b) Claim or accept compensation for a certified appraisal or a certified appraisal report contingent upon the amount of, or otherwise determined as a percentage of, an award of monetary damages arising out of a condemnation or other legal action in which the value of the property to be appraised is disputed.

1922.10. A person performing a certified appraisal shall retain for three years from the date of submitting the certified appraisal report

to his or her client, originals or true copies of the following:

(a) Any contract for the performance of the certified appraisal.

(b) The certified appraisal report.

(c) Any supporting documentation or data required by this title or otherwise necessary to the formulation and preparation of the certified appraisal.

1922.11. Any person who has been damaged, or can demonstrate that he or she will potentially be irreparably damaged, may bring an action for damages, equitable relief, or both, against any person who violates this title. The court may award costs and reasonable attorneys' fees to the prevailing party, as determined by the court. The rights and remedies provided in this title are not exclusive of other rights or remedies provided by law.

1922.12. Prior to January 1, 1989, no state agency or department may require the use of a certified appraisal or certified appraisal report for any transaction, other than a transaction to which the state is a party, without express statutory authorization.

1922.14. If any provision of this title or the application thereof to any person or circumstances is held invalid, that invalidity shall not affect other provisions or applications of the title which can be given effect without the invalid provision or application, and to this end the provisions of this title are severable.

SEC. 2. This act shall become operative on January 1, 1988.

CHAPTER 373

An act to add Section 270 to the Code of Civil Procedure, and to amend Section 69950 of the Government Code, relating to court reporters.

[Approved by Governor July 16, 1986 Filed with Secretary of State July 16, 1986]

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

SECTION 1. Section 270 is added to the Code of Civil Procedure, to read:

270. (a) Notwithstanding Section 269 or any other provision of law, the Judicial Council shall establish a demonstration project to assess the costs, benefits, and acceptability of utilizing audio and video recording as a means of producing a verbatim record of proceedings in up to 11 superior court departments selected from the following counties:

(1) Not more than five departments in Los Angeles County.

(2) Not more than three departments in Orange County.

(3) Not more than two departments in Riverside County at the county seat.

(4) Not more than two departments in the central or west district

of San Bernardino County.

(5) Not more than three departments in San Diego County.

In each county, the project shall only commence after the board of supervisors adopts a resolution finding that there are sufficient funds for the project, and the superior court adopts local rules for implementation of the project. The demonstration project in each county shall terminate on or after January 1, 1991, but not later than January 1, 1992.

(b) In courtrooms operating under the demonstration project, audio or video recording may be used in lieu of the verbatim record prepared by a court reporter except in any criminal or juvenile proceedings.

(c) The Judicial Council shall adopt the following: (1) specifications for audio and video recording equipment; (2) rules for courtroom monitoring of audio and video recording; and (3) rules for certification of transcripts produced by means of audio and video recording.

(d) An audio or video recording or transcript produced therefrom when certified as being an accurate recording, video taping, or transcript of the testimony and proceedings in a case, is prima facie evidence of that testimony and those proceedings.

(e) A transcript of a proceeding in a court of the demonstration project shall be provided by the court to a party in the same manner and form and at the same cost as a transcript prepared and delivered by an official court reporter. If a portion of a video or audio recording fails or is unable to be understood, a transcript of such portion of the proceeding shall designate such condition as "inaudible" and "unintelligible," respectively.

(f) No presently employed permanent court reporter shall have his or her hours of employment reduced as a result of the demonstration project nor shall be required to prepare a transcript of a proceeding in a court of the demonstration project.

(g) The Judicial Council shall report to the Legislature on or before January 1, 1989, and thereafter as the Legislature may require, as to the costs, benefits, and acceptability of such audio or video recording as a method of keeping the verbatim court record.

(h) The Joint Rules Committee shall appoint an advisory committee consisting of two certified shorthand reporters, one person skilled in courtroom audio recording, one person skilled in courtroom video recording, two judges experienced in trial work, one court administrator, and two attorneys experienced in trial work to evaluate the demonstration project, and it shall report its findings and recommendations, including minority views, if any, to the Legislature at the same times as the Judicial Council reports pursuant to subdivision (g). The advisory committee shall be afforded access to all material relating to the conduct and operation of the demonstration project, including, but not limited to, copies of audio and video tapes, logs thereof, transcripts, transcript requests, and the identity of any vendor and consultants involved in the demonstration

project.

SEC. 2. Section 69950 of the Government Code is amended to read:

69950. The fee for transcription for original ribbon copy is seventy cents ($0.70) for 100 words, and for each copy for the party buying the original made at the same time, ten cents ($0.10) each for 100 words. The fee for a first copy to any other person shall be twenty cents ($0.20) for each 100 words, and for each additional copy, made at the same time, ten cents ($0.10) for each 100 words.

CHAPTER 374

An act to amend Sections 56200, 56728.6, and 56728.8 of the Education Code, relating to special education, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 16, 1986. Filed with Secretary of State July 16, 1986.]

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

SECTION 1. Section 56200 of the Education Code is amended to read:

56200. Each local plan submitted to the superintendent under this part shall contain all the following:

(a) Compliance assurances, including general compliance with Public Law 94-142, Section 504 of Public Law 93-112, and the provisions of this part.

(b) Description of services to be provided by each district and county office. This description shall demonstrate that all individuals with exceptional needs shall have access to services and instruction appropriate to meet their needs as specified in their individualized education programs.

(c) (1) Description of the governance and administration of the plan.

(2) Multidistrict plans, submitted pursuant to subdivision (b) or (c) of Section 56170, shall specify the responsibilities of each participating county office and district governing board in the policymaking process, the responsibilities of the superintendents of each participating district and county in the implementation of the plan, and the responsibilities of district and county administrators of special education in coordinating the administration of the local plan.

(d) Copies of joint powers agreements or contractual agreements, as appropriate, for districts and counties that elect to enter into such agreements pursuant to subdivision (b) or (c) of Section 56170.

(e) An annual budget plan to allocate instructional personnel service units, support services, and transportation services directly to entities operating such services and to allocate regionalized services

funds to the county office, responsible local agency, or other alternative administrative structure. The annual budget plan shall be adopted at a public hearing held by the district, special education services region, or county office, as appropriate. Notice of this hearing shall be posted in each school in the services region at least 15 days prior to the hearing. The annual budget plan may be revised during the fiscal year, and these revisions may be submitted to the superintendent as amendments to the allocations set forth in the plan. However, the revisions shall, prior to submission to the superintendent, be approved according to the policymaking process, established pursuant to paragraph (2) of subdivision (c).

(f) Verification that the plan has been reviewed by the community advisory committee and that the committee had at least 30 days to conduct this review prior to submission of the plan to the superintendent.

(g) Description of the identification, referral, assessment, instructional planning, implementation, and review in compliance with Chapter 4 (commencing with Section 56300).

(h) A description of the process being utilized to meet the requirements of Section 56303.

SEC. 2. Section 56728.6 of the Education Code is amended to read:

56728.6. (a) Notwithstanding subdivision (d) of Section 56760, in the 1985–86 fiscal year and each fiscal year thereafter, a special education local plan area shall be eligible for state funding of those instructional personnel service units operated and fundable for services to children three years of age or older at the second principal apportionment of the prior fiscal year, so long as the pupil count divided by the number of instructional personnel service units is equal to or greater than the following:

(1) For special classes and centers—9, based on the unduplicated pupil count.

(2) For resource specialist programs—21, based on the unduplicated pupil count.

(3) For designated instruction and services—20, based on the unduplicated pupil count, or 39, based on the duplicated pupil count.

(b) Notwithstanding subdivision (d) of Section 56760, in the 1984–85 fiscal year and each fiscal year thereafter, a special education local plan area shall be eligible for state funding of instructional personnel service units for services to children three years of age or older in excess of the number of instructional personnel service units operated and fundable at the second principal apportionment of the prior fiscal year only with the authorization of the Superintendent of Public Instruction.

(1) The superintendent shall not authorize additional units for a special education local plan area if, for that special education local plan area, the percentage of pupils in kindergarten and grades 1 through 12 enrolled in special education programs, excluding pupils less than three years of age, would exceed 10 percent.

(2) The superintendent shall not authorize additional units for a special education local plan area if, for that special education local plan area, the ratio of pupils in kindergarten and grades 1 through 12 receiving a specific instructional service, excluding pupils less than three years of age, would exceed the following:

(A) For special classes and centers—0.028.

(B) For resource specialist programs—0.040.

(C) For designated instruction services—0.042.

(3) The superintendent may authorize additional units for a special education local plan area only if the area's pupil-instructional personnel unit ratios, based on the unduplicated pupil count, meet or exceed the ratios specified in paragraphs (1), (2), and (3) of subdivision (a).

(c) The Superintendent of Public Instruction shall base the authorization of funding for special education local plan areas pursuant to this section, including the reallocation of instructional personnel service units, upon criteria which shall include, but not be limited to, all of the following:

(1) Changes in the total number of pupils enrolled in kindergarten and grades 1 through 12.

(2) High- and low-average caseloads per instructional personnel service unit for each instructional setting.

(3) Lower than average and higher than average percentages of pupils in kindergarten and grades 1 through 12 who are currently enrolled in special education programs.

(d) A special education local plan area may apply for, and the superintendent may grant, a waiver of any of the standards and criteria specified in this section if compliance would prevent the provision of a free, appropriate public education or would create undue hardship. In granting the waivers, the superintendent shall consider the following:

(1) Pupil density of 25 or fewer units of average daily attendance per square mile in local plan areas of 30,000 or fewer average daily attendance, or pupil density of 20 or fewer units of average daily attendance per square mile in local plan areas of more than 30,000 average daily attendance.

(2) The location of licensed children's institutions, foster family homes, residential medical facilities, and other similar facilities within the boundaries of a local plan if 3 percent or more of the local plan's unduplicated pupil count resides in those facilities.

(e) For the purpose of this section, a special education local plan area may apply for, and the superintendent may grant, a waiver of the standards specified in paragraph (2) of subdivision (b) if the waiver is programmatically justified.

(f) By authorizing units pursuant to this section, the superintendent shall not increase the statewide total number of instructional personnel service units for purposes of state apportionments unless an appropriation specifically for growth in the number of instructional personnel service units is made in the

annual Budget Act or other legislation. If such an appropriation is made, units authorized by the superintendent pursuant to this subdivision that result in an increase in the statewide total number of instructional personnel service units are subject to the following restrictions:

(1) The units shall be funded only by such appropriation and no other funds may be apportioned for the units.

(2) All units shall be fully funded pursuant to Chapter 7 (commencing with Section 56700) of Part 30.

(g) This section shall become operative July 1, 1985.

SEC. 3. Section 56728.8 of the Education Code is amended to read:

56728.8. (a) Notwithstanding subdivision (d) of Section 56760, for the 1985–86 fiscal year and each fiscal year thereafter, a special education local plan area shall be eligible for state funding of those instructional personnel service units operated and fundable for services to individuals with exceptional needs younger than three years of age at the second principal apportionment of the prior fiscal year, so long as the unduplicated pupil count of these pupils divided by the number of instructional personnel service units is not less than the following:

(1) For special classes and centers—12.

(2) For resource specialist programs—24.

(3) For designated instruction and services—12.

(b) Notwithstanding subdivision (d) of Section 56760, in the 1985–86 fiscal year and each fiscal year thereafter, a special education local plan area shall be eligible for state funding of instructional personnel service units for services to individuals with exceptional needs younger than three years of age in excess of the number of instructional personnel service units operated and fundable at the second principal apportionment of the prior fiscal year only with the authorization of the Superintendent of Public Instruction.

(c) The Superintendent of Public Instruction shall base the authorization of funding for special education local plan areas pursuant to this section, including the reallocation of instructional personnel service units, upon criteria that shall include, but not be limited to, the following:

(1) Changes in the total number of pupils younger than three years of age enrolled in special education programs.

(2) High- and low-average caseloads per instructional personnel service unit for each instructional setting.

(d) Notwithstanding subdivision (e) of Section 56760, infant programs in special classes and centers funded pursuant to this item shall be supported by two aides, unless otherwise required by the Superintendent of Public Instruction.

(e) Infant services in resource specialist programs funded pursuant to this item shall be supported by one aide.

(f) In determining the number of instructional personnel service units for which a special education local plan area may qualify, a

minimum of six infants shall constitute eligibility for the initial unit. However, programs operating pursuant to Section 56425 shall be allowed a minimum of one initial unit for the 1985–86 fiscal year. When units are allocated pursuant to this subsection, the Superintendent of Public Instruction shall allocate only the least expensive unit appropriate.

(g) Beginning with the 1986–87 fiscal year, those programs operating pursuant to Section 56425 with fewer than six infants shall receive a partial unit, as determined by the Superintendent of Public Instruction.

(h) A special education local plan area may apply for, and the superintendent may grant, a waiver of any of the standards and criteria specified in this section if compliance would prevent the provision of a free, appropriate public education or would create undue hardship. In granting the waivers, the superintendent shall give priority to the following factors:

(1) Pupil density of 25 or fewer units of average daily attendance per square mile in local plan areas of 30,000 or fewer average daily attendance, or pupil density of 20 or fewer units of average daily attendance per square mile in local plan areas with an average daily attendance of more than 30,000.

(2) The location of licensed children's institutions, foster family homes, residential medical facilities, or similar facilities within the boundaries of a local plan if 3 percent or more of the local plan's unduplicated pupil count resides in those facilities.

(i) By authorizing units pursuant to this section, the superintendent shall not increase the statewide total number of instructional personnel service units for purposes of state apportionments unless an appropriation specifically for growth in the number of instructional personnel service units is made in the annual Budget Act or other legislation. If such an appropriation is made, units authorized by the superintendent pursuant to this section are subject to the following restrictions:

(1) The units shall be funded only by such an appropriation and no other funds may be apportioned for the units.

(2) All units shall be fully funded pursuant to Chapter 7 (commencing with Section 56700) of Part 30.

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

In order to provide for the reimbursement of claims for special education programs at the earliest possible time, it is necessary that this act take effect immediately.

SEC. 5. Sections 2 and 3 of this act shall become operative on July 1, 1986, unless this act becomes effective after July 1, 1986, in which case Sections 2 and 3 shall become operative immediately upon its enactment. If this act becomes operative after July 1, 1986, it is the intention of the Legislature that the changes made in Sections

56728.6 and 56728.8 of the Education Code by Sections 2 and 3, respectively, of this act shall apply for the entire 1986–87 fiscal year and subsequent fiscal years.

SEC. 6. Reimbursement to local agencies and school districts for costs mandated by the state pursuant to this act shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code and, if the statewide cost of the claim for reimbursement does not exceed five hundred thousand dollars ($500,000), shall be made from the State Mandates Claims Fund.

CHAPTER 375

An act relating to the creation of the Coast Life Support District, prescribing its boundaries, organization, operation, management, financing, and powers, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 16, 1986 Filed with Secretary of State July 16, 1986]

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

CHAPTER 1. FORMATION OF DISTRICT

Article 1. General Provisions

SECTION 1. The Coast Life Support District is created to consist of the territory described in Section 4 in Mendocino and Sonoma Counties.

SEC. 2. This act shall be known and may be cited as the "Coast Life Support District Act."

SEC. 3. If any provisions of the act or the application thereof to any person or circumstance is held invalid, the remainder of this act, or the application of that provision to other persons or circumstances shall not be affected thereby.

SEC. 4. The territory of the district shall be the following areas:

Beginning at the northerly boundary of the Irish Beach Water District, being a portion of Section 5 and 6, T 13N, R 16W, and portions of Sections 31 and 32, T 14N, R 16W, MDM, at the mean high water mark of the Pacific Ocean, thence easterly along said boundary to a ½ inch iron pipe tagged LS 3089 located at the northeasterly corner of lot 31 Mendocino Coast unit #3, recorded in map case 2, drawer 8, page 29, Mendocino County Records; thence south 89 15'20" east, 129.39 feet; thence north 44 58'38" east 316.76 feet; thence along the arc of a tangent curve to the right, having a radius of 155 feet, through a central angle of 115 26'49", a length of 312.31 feet;

thence south 19 34'33" east, 110.31 feet; thence south 16 36'25" east, 72.52 feet to a point on the south line of the northeast quarter of the southwest quarter of said Section 31, T 14N, R 16W; thence east 918.46 feet along said line to the northeast corner of the southeast quarter of the southwest quarter of said Section 31; thence north 2,640 feet to the northwest corner of the southwest quarter of the northeast quarter of Section 31; thence east 3,960 feet to the northeast corner of the southwest quarter or the northwest quarter of Section 32, T 14N, R 16W; thence south 2,640 feet to the northeast corner of the southwest quarter of the southwest quarter of Section 32; thence east 2,640 feet to the northwest corner of the southeast quarter of the southeast quarter of Section 32; thence south 1,320 feet to a point on the township line at the southwest corner of the southeast quarter of the southeast quarter of Section 32; thence east along the common township 13N and 14N line to the northeast corner of lot 1, Section 5, township 13N, R 16W; thence northerly along the east line of Section 32 and 29, to the northeast corner of Section 20, and thence easterly along the north line of Sections 21 and 22; 23, and 24 to the NE corner of said Section 24 said corner being on the range common to ranges 15 and 16 west; thence;

Southerly and along said range line to the NW corner of Section 19; T 13 N R 15 W; thence;

Easterly and along the north line of Sections 19, 20, and 21 to the SW corner of Section 15; thence;

Northern and along the west line of Sections 15, 10, and 3 to the NW corner of said Section 3; thence;

Easterly and along the north line of Sections 3 and 2 to the NE corner of said Section 2; thence

Southerly along the east line of said Section 2 to the NW corner of Section 12; thence;

Easterly and along the north line of Section 12 to the north ¼ corner thereof; thence;

Southerly and along the ¼ Section line to the north ¼ corner of Section 13; thence;

Easterly and along the north line of Section 13 to the NE corner thereof; thence;

Southerly and along the east line of said Section 13 to the SE corner thereof said corner being on the range line common to ranges 14 and 15 west; thence;

Easterly and along the north line of Section 19, T 13 N, R 14W, to the north ¼ corner thereof; thence;

Southerly through the center of Section 19, 30, and 31 and along the ¼ section line thereof to the south ¼ corner of Section 31, said corner being on the township line common to townships 12 and 13 north; thence;

Easterly and along said township line to the NE corner of Section 4, T 12 N, R 14 W; thence;

Southerly and along the east line of Section 4 and 9 to the NW corner of Section 15; thence;

Easterly and along the north line of Section 15 and 14 to the E 1/16 corner of said Section 14; thence;

Southerly along the east 1/16 line thereof to the NE 1/16 corner thereof; thence;

Easterly along the 1/16 Section line to the N 1/16 corner of said Section 14; thence;

Southerly and along the east line of Section 14, 23, 26, and 35, T 12 N, R 14 W; thence;

Continuing southerly along the east line of Sections 2, 11, 14, and 23 to the common boundary between Mendocino and Sonoma Counties; thence;

Northerly and easterly along said boundary to the common corner of Section 8, 9, 16, and 17 T 11 NR 12 W; thence;

South along the east line of Sections 17, 20, 29, and 32 T 11 NR 12 W to the south line of Section 32; thence;

West along the south line of Section 32 and 31 T 11 NR 12 W and Section 36 T NR 13 W to the range line between T 10 NR 12 W and T 10 NR 13 W; thence;

South along said range line to the southeast corner of lot 1 of Section 1 T 10 NR 13 W; thence;

West along the south line of said lot 1 to its intersection with the centerline of the north fork of Fuller Creek as shown on the official map of Sonoma County of the year 1934; thence;

Southwesterly along the north fork of Fuller Creek to its intersection with the south fork of Fuller Creek; thence;

Southeasterly and easterly along the south fork of Fuller Creek to its intersection with the range line between T 10 NR 13 W and T 10 NR 12 W; thence;

South along said range line to the north line of Section 6 T 9 NR 12 W; thence;

East along the north line of Sections 6, 5, 4, 3, 2 and 1 T 9 NR 12 W to the range line between T 9 NR 12 W and T 9 NR 11 W; thence;

South along said range line to the south line of Section 13 T 9 NR 12 W; thence;

West along the south line of Section 13 and 14 to the east line of Section 22 T 9 NR 12 W; thence;

South along the east line of Sections 22 and 27 T 9 NR 12 W to its intersection with the centerline of the Plantation - Ward Creek Road; thence;

Westerly and southwesterly along the centerline of the said Plantation - Ward Creek Road to its intersection with the 1/4 section line running north and south through the center of Section 22 T 9 NR 13 W; thence;

North on said 1/4 Section line to its intersection with the centerline of the south fork of the Gualala River; thence;

Northwesterly along the south fork of the Gualala River to its intersection with the north line of Section 18 T 9 NR 13 W; thence;

West along the north line of said Section 18 to the 1/4 Section line running north and south through the center of said Section 18;

thence;

South along the said ¼ Section line of the south line of the north ½ of the northwest ¼ of said Section 18; thence;

West along the south line of the said north ½ of the northwest ¼ of Section 18 of the range line between T 9 NR 13 W and T 9 NR 14 W; thence;

South along the said range line to its intersection with the northeasterly line of the German Rancho; thence;

Southeasterly line of the German Rancho; thence;

Southeasterly along the northeasterly line of the German Rancho of its intersection with the southerly line of the lands of A. H. Richardson; thence;

Southwesterly along the southerly line of the lands of A. H. Richardson to a point in the Pacific Ocean; thence;

Northwesterly along the Pacific Ocean to the point of beginning.

SEC. 5. There shall be transferred to the district for the fiscal year commencing July 1, 1986, and all fiscal years thereafter all revenues which would otherwise be received as a result of the existence of Zone of Benefit No. 1 of County Service Area No. 3 of Mendocino County, including any remaining balance of revenues not expended or necessary to satisfy obligations incurred prior to such fiscal years and not also assumed by the district.

SEC. 6. The district shall be entitled to receive all county subventions which have been and would be made available by Sonoma County for rural ambulance and emergency medical services by a provider of these services within the territory of the district if the district had not been formed.

SEC. 7. The district shall be entitled to receive grants and subventions available for the provision of emergency medical services in accordance with Division 2.5 (commencing with Section 1797) of the Health and Safety Code.

SEC. 8. Wherever this act permits the district to ask for and receive services to be provided by Mendocino County or Sonoma County, including legal or financial services, the county providing the service shall be entitled to recover from the district its reasonable costs incurred in providing the service to the district.

SEC. 9. Following the formation of the district, the Cortese-Knox Local Government Reorganization Act, of Division 3 (commencing with Section 56000) of Title 5 of the Government Code shall govern any change of organization.

Article 2. Definitions

SEC. 10. Unless the context otherwise requires, the definitions in this section shall govern the construction of this act.

(a) "Board" or "board of directors" means the board of directors of the Coast Life Support District.

(b) "County" or "counties" means Mendocino and Sonoma Counties

(c) "District" means the Coast Life Support District.

(d) "Elector" or "qualified elector" or "voter" or "qualified voter" means any registered voter residing within the district.

(e) "Health facility" or "health care facility" means any facility, place, or building duly licensed for the purpose of providing emergency medical services.

(f) "May" is permissive and "shall" is mandatory.

(g) "Medical personnel" includes physicians, nurses, and emergency medical services personnel certified in accordance with Division 2.5 (commencing with Section 1797) of the Health and Safety Code.

(h) "Medical services" includes all services provided by medical personnel.

(i) "State" means the State of California, including any one or more of the bureau, commissions, divisions, departments, boards, agencies, and officers of the State of California.

CHAPTER 2. BOARD OF DIRECTORS

Article 1. Election and Organization

SEC. 20. The Boards of Supervisors of the Counties of Mendocino and Sonoma are joint bodies of interest pursuant to this act and shall constitute the appointing bodies, appointing those persons to the board of directors of the district as set forth in this act.

SEC. 21. The district shall be governed by a board of directors of seven members who shall be registered voters residing in the district and whose terms shall be four years, with the exception of the first board. The members of the board shall be elected by the electors of the district.

The first board of directors shall be appointed, upon the formation of the district, by the boards of supervisors of the counties. Mendocino County shall appoint four members, Sonoma County shall appoint three members. Upon the appointment of the members of the first board, the board of supervisors of each county shall each specify two members whose terms shall expire on the last Friday in November of 1988 or until the qualification of their successors as provided herein and the remaining members shall have terms which expire two years thereafter. Any vacancy upon the board of an elected member shall be filled by the methods prescribed in Section 1780 of the Government Code.

SEC. 22. An election which shall be known as the Coast Life Support District general election, shall be held in the district on the first Tuesday after the first Monday, in November of 1988 and in each even-numbered year thereafter, at which a successor shall be chosen to each member of the board whose term expires on the last Friday of November following the election. The district general election shall be consolidated with the statewide general election pursuant to Chapter 4 (commencing with Section 23300), Part 2, Division 14 of

the Elections Code.

The person or persons receiving the highest number of votes of qualified electors for each office to be filled at the election shall be elected thereto. The term of office of each elective officer of the district elected shall be four years, or until his or her successor is elected and has qualified.

SEC. 23. The board of directors shall meet on the first Monday subsequent to 30 days after the completion of organization of the district and shall organize by the election of one of their members as chairperson or president and one as secretary.

SEC. 24. The board of directors shall serve without compensation. Each member of the board of directors shall be allowed his or her actual necessary traveling and incidental expenses incurred in the performance of official business of the district as approved by the board.

SEC. 25. The board of directors shall provide for the time and place of holding its regular meetings and the manner of calling the same, and shall establish rules for its proceedings and may adopt rules and regulations not inconsistent with law as necessary for the exercise of the powers conferred and the performance of the duties imposed upon the board.

SEC. 26. The district is subject to the Ralph M. Brown Act, Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code.

SEC. 27. (a) Except as otherwise provided in subdivision (b), no person possessing any property interest in, or owning any of the stocks, bonds, or other securities issued by, any private ambulance or life support service serving the same area served by the district, or who is a director or other officer of, or who occupies any management position on the administrative staff of any private for-profit ambulance or life support service, not including any volunteer fire department providing such services, shall be eligible for or hold any district office, either as a member of the board or as staff. The possession or ownership of any property interest, stocks, bonds, or other securities by the spouse or minor children of any person shall be deemed, for the purposes of this section, to be the possession or ownership of an interest of that person.

(b) No person shall be prohibited from serving concurrently on the administrative staffs of any private ambulance or life support service and any district services or contracted services where the board of directors of these entities have determined that the dual administrative staff positions will further joint planning, efficient delivery of services, and the best interests of the areas served by their respective services.

(c) Any candidate who elects to run for the office of member of the board of directors of the district and who owns stock in, or who works for, a private for-profit ambulance or life support system which does not serve the areas shall disclose on the ballot his or her occupation and his or her place of employment.

Article 2. Powers

SEC. 30. Except as otherwise provided in this act, all powers of the district shall be exercised by the board of directors.

SEC. 31. The board of directors shall act only by ordinance, resolution, or motion. A majority vote of the members of the board of directors is required on each action, and the vote shall be recorded.

SEC. 32. By resolution, the board of directors of the district may delegate to an administrator the power to employ subject to the pleasure of the board of directors, and discharge, subordinate officers and employees as necessary for the purpose of carrying on the normal functions of the district.

SEC. 33. Except as provided in this section, by resolution, the board of directors of the district may authorize the disposition of any surplus property of the district at fair market value by any method determined appropriate by the board. The board of directors of the district may donate or sell, at less than fair market value, any surplus property to a public agency in California or to a nonprofit corporation which provides services to residents within the district of the type authorized to be provided by the district.

SEC. 34. The board of directors may establish training programs for emergency medical services personnel in accordance with Division 2.5 (commencing with Section 1797) of the Health and Safety Code.

SEC. 35. The board of directors shall be responsible for the operation of all facilities and equipment owned or leased by the district and shall make and enforce all rules, regulations, and bylaws necessary for the administration, government, protection, and maintenance of facilities and equipment under their management and all property belonging to the district.

SEC. 36. The board of directors may provide for the operation and maintenance through tenants of health facilities acquired or constructed by it pursuant to this act, and for that purpose may enter into any lease agreement which it believes will best serve the interest of the district; provided, that any lease entered into for the operation of any facility shall require the tenant or lessee to conform to and abide by each and all rules and regulations adopted by the board. No lease for the operation of any facility shall run for a term in excess of 10 years.

CHAPTER 3. PURPOSES AND POWERS OF THE DISTRICT

Article 1. Purposes

SEC. 40. The district may exercise the powers hereinafter granted for the purpose of supplying to the inhabitants of the district emergency medical services, including emergency ambulance services, basic life support services, limited advanced life support

services, and advanced life support services, including medical equipment and supplies, within and without the district subject to the provisions of Division 2.5 (commencing with Section 1797) of the Health and Safety Code.

SEC. 41. If approved by a majority of the electors of the district voting in an election upon the proposition, the district may exercise the powers hereinafter granted for the following additional purpose: establishment, maintenance, and operation of one or more health care facilities at any location within the district for the benefit of the district.

SEC. 42. A measure to extend the purpose of the district to include the purpose set forth in Section 41 may be placed on the ballot at any general election of the district by a vote of a majority of the board of directors or by a petition signed and filed with the board of directors by registered voters within the district equal in number to at least 15 percent of the number of votes cast in the district for the office of Governor at the last preceding election at which a Governor was elected. A measure authorized by the board of directors or requested by a duly filed petition to implement this section shall be placed in the ballots substantially as follows:

"Shall the (Coast Life Support District or insert name adopted pursuant to Section 64) provide for health care facilities in the district?" with the words "yes" and "no" so provided in connection therewith that the voters may express their choice.

If the board of directors so desires or if the petition so requests, the measure on the ballot may be worded to restrict the location and nature of the health facility to be provided. In such case, approval of the voters shall only be deemed to constitute approval of the facility described on the ballot.

The election shall be conducted, arguments for and against submitted, and returns canvassed and declared as at other district elections and in accordance with the Elections Code.

Article 2. Powers

SEC. 50. The district shall have and exercise the following powers:

(a) To have and use a corporate seal and alter it at pleasure.

(b) To sue and be sued in all courts and places and in all actions and proceedings whatever.

(c) To purchase, receive, have, take, hold, lease, use, and enjoy property of every kind and description within and without the limits of the district, and to control, dispose of, convey, and encumber the same and create a leasehold interest in same for the benefit of the district.

(d) To exercise the right of eminent domain for the purpose of acquiring real or personal property of every kind necessary to the exercise of any of the powers of the district.

(e) To employ legal counsel to advise the board of directors in all

matters pertaining to the business of the district, and to perform the functions in respect to the legal affairs of the district as the board may direct; and to call upon the district attorney of either county for legal advice and assistance in all matters concerning the district, or the directors may call upon the county counsel for legal advice and assistance.

(f) To employ and prescribe the duties and powers of the officers and employees of the district; to establish offices as appropriate and to appoint board members or employees to those offices; to determine the number of and appoint all officers and employees, and to fix their compensation which officers and employees shall hold their offices as positions at the pleasure of the board.

Further, the district may enter into a contract of employment with an administrator, the duration of which shall not exceed four years, but which may periodically be renewed upon expiration for not more than four years.

(g) To employ consultants as the board of directors deems necessary to carry on properly the purposes and business of the district.

(h) To establish, impose, and collect fees and charges for services provided by the district from persons receiving or benefiting from such services on such basis as the board shall determine to be fair and reasonable or to authorize the imposition and collection of such fees and charges by any person, corporation, or agency with which the district contracts for the provision of such services.

(i) To contract for the provision of any service, equipment, or facility which the district is authorized to provide with any person or corporation or public agency in lieu of provision by the district itself as the board of directors deems necessary or desirable to carry out properly and efficiently the purposes and business of the directors.

(j) To establish, maintain, and carry on its activities through one or more corporations, joint ventures, or partnerships for the benefit of the district.

(k) To do any and all things which an individual might do which is necessary for, and to the advantage of, the district.

(*l*) To do any and all other acts and things necessary to carry out the provisions of this act.

SEC. 51. The district shall establish its own treasury and shall appoint a treasurer charged with the safekeeping and disbursal of the funds in the treasury of the district. The board of directors shall fix the amount of the bond to be given by the treasurer and shall provide for the payment of the premium therefor out of the maintenance and operations fund.

SEC. 52. (a) Upon the adoption of a resolution of the board of directors of the district so providing, all funds on hand in the treasury of the district may be paid over to the county treasurer of either county in which case and from and after the date of the adoption of the resolution the functions of the district treasurer shall be

performed by the county treasurer designated by the board. Moneys in the treasury of the district shall be paid out by the county treasurer for purposes of the district upon warrants issued by the county auditor on orders signed by the president of the district and countersigned by the secretary of the district.

(b) At any time the district board may, by resolution, reestablish the office of district treasurer and, upon receipt of a copy of the resolution, notwithstanding any other provision of law, the county treasurer shall transfer all funds of the district to the district treasurer.

SEC. 53. Any moneys derived from a special tax or assessment levied under Articles 1 or 2 (commencing with Section 70 or Article 2 (commencing with Section 90) of Chapter 4 hereof shall be used exclusively for the purposes for which the special tax or assessment was levied if voted other than for the maintenance and operation of the district.

All receipts and revenues of any kind from the operation of the district shall be paid daily into the treasury of the district and placed in the maintenance and operation fund. Moneys in the maintenance and operation fund may be expended for any of the purposes of the district.

Any moneys in the treasury of the district may be deposited in accordance with the provisions of the general laws of the State of California governing the deposit of public moneys of cities or counties in any bank or banks in the State of California as may be authorized to receive deposits of public funds, in the same manner and upon the same security as public moneys of cities and counties are deposited in those banks, and with like force and effect. The board of directors of the district are authorized to create a revolving fund which fund shall not exceed the sum of 10 percent of the estimated annual expenditures of the district at any one time and which shall be used for the purpose of paying the interim expenses of the operation of the district without the necessity of a written order signed by the president and countersigned by the secretary as provided herein. The treasurer is authorized to deposit the fund in any bank or banks in either county as may be authorized to receive deposits of public funds in the same manner and upon the same security as public moneys of cities and counties are deposited in those banks and with like force and effect, and shall be subject to withdrawal upon the signature of the treasurer, or such other official of the district as may be authorized by the board of directors, for the use and purpose provided for herein.

SEC. 54. Exclusively for the purpose of securing state insurance of financing for the construction of health facilities, the expansion, modernization, renovation, remodeling, and alteration of existing health facilities, the initial equipping of any facilities and the initial acquisition of equipment, and notwithstanding any provision of this act or any other provision or holding of law, the board of directors of the district may (a) borrow money or credit, as well as by the

financing methods specified in this act, and (b) execute in favor of the state first mortgages, first deeds of trust, and such other necessary security interests as the Office of Statewide Health Planning and Development may reasonably require in respect to health facility property as security for the insurance.

SEC. 55. Notwithstanding the provisions of the Medical Practice Act, the board of directors may contract with physicians and surgeons, health care provider groups, and nonprofit corporations for the rendering of professional health services on a basis that does not result in any profit or gain to the district from the services so rendered and allows the board to ensure that fees and charges, if any, are reasonable, fair, and consistent with the basic commitment of the district to provide life support or health care to all residents within its boundaries.

SEC. 56. (a) The district may borrow money and incur indebtedness in an amount not to exceed 85 percent of all estimated income and revenue for the current fiscal year, including, but not limited to, tax revenues, operating income, and any other miscellaneous income received by the district, from whatever source derived. The money borrowed and indebtedness incurred under this subdivision shall be repaid within the same fiscal year.

(b) The district may issue negotiable promissory notes to acquire funds for any district purposes. The maturity of the promissory notes shall not be later than 10 years from the date thereof. The total aggregate amount of the notes outstanding at any one time shall not exceed 85 percent of all estimated income and revenue for the current fiscal year, including, but not limited to, tax revenues, operating income, and any other miscellaneous income of the district. Indebtedness incurred pursuant to any other provision of law shall be disregarded in computing the aggregate amount of notes that may be issued pursuant to this subdivision.

SEC. 60. The district may maintain membership in any local, state, or national group or association organized and operated for the promotion of the public health and welfare, and in connection therewith pay dues and fees thereto.

SEC. 61. (a) Except as otherwise provided in this section, the board of directors shall let any contract involving an expenditure of more than ten thousand dollars ($10,000) for work to be done or for materials and supplies to be furnished, sold, or issued to the district, to the lowest responsible bidder who shall give such security as the board requires, or else reject all bids.

(b) Bids need not be secured for change orders which do not materially change the scope of the work as set forth in a contract previously made if such contract was made after compliance with bidding requirements, and if each individual change order does not total more than 5 percent of the contract.

(c) Nothing in this section shall prevent the district from participating as a member of any organization described in Section 23704 of the Revenue and Taxation Code, nor shall this section apply

to any purchase made, or services rendered, by the organization on behalf of the district which is a member of the organization.

SEC. 62. At least once each year the board shall engage the services of a qualified accountant of accepted reputation to conduct an audit of the books of the district and prepare a report. The financial statement of the district with the auditor's certification, including any exceptions or qualifications as part of such certification, shall be published in the district by the board pursuant to Section 6061 of the Government Code.

SEC. 63. The board of directors may, without following the bidding provisions in Section 61 hereof, let contracts for work to be done or for materials and supplies to be furnished, sold, or leased to the district, if it first determines that an emergency exists warranting such expenditures due to fire, flood, storm, epidemic, or other disaster and is necessary to protect the public health, safety, welfare, or property.

SEC. 64. The board of directors may, by resolution, change the name of the district. The change in the name of the district shall be effective upon the filing of a verified copy of the resolution with the Secretary of State.

SEC. 65. The district shall be part of the emergency medical services area (EMS area) of the local EMS agency designated by Mendocino County pursuant to Section 1797.200 of the Health and Safety Code for all purposes of Division 2.5 (commencing with Section 1797) of the Health and Safety Code until the district elects otherwise. The district may elect, by resolution of the board at any time and from time to time, to be part of the EMS area of the local EMS agency designated by either Mendocino County or Sonoma County or, subject to approval by the local EMS agencies of both counties, to be part of the EMS areas of both local EMS agencies. The local EMS agency of the EMS area elected by the board shall be the local EMS agency with respect to the district for all purposes of Division 2.5 (commencing with Section 1797) of the Health and Safety Code except as otherwise agreed by the district and both local EMS agencies.

CHAPTER 4. TAXES AND ASSESSMENTS

Article 1. Special Taxes

SEC. 70. The district shall have the authority to impose special taxes pursuant to Article XIII A of the California Constitution and Article 3.5 (commencing with Section 50075) of Chapter 1 of Part 1 of Division 1 of Title 5 of the Government Code. The board shall determine the basis and nature of any special tax and its manner of collection.

SEC. 71. The Boards of Supervisors of Mendocino and Sonoma Counties shall, on behalf of the district, present to the voters of the district at the general election to be held November 1986, a proposed

ordinance of the district imposing a special tax for the purposes of the district adopted by resolution of both such boards of supervisors, or by joint resolution, in accordance with Section 50077 of the Government Code, as if the district were an affected district for which the boards of supervisors were conducting proceedings for formation.

SEC. 72. The appropriations limit for the district under Article XIII B of the California Constitution shall be established at three hundred thousand dollars ($300,000) for the fiscal year commencing July 1, 1986, provided that the appropriations limit is approved by a majority of the electors voting thereon in the general election to be held in November 1986. The boards of supervisors shall, on behalf of the district, present to the voters of the district, concurrently and in conjunction with the ordinance to be presented pursuant to Section 71, a ballot measure in substantially the following form:

"Shall the Coast Life Support District have an initial appropriation limit of three hundred thousand dollars ($300,000)?"

SEC. 72.5. This act shall not become effective unless the Boards of Supervisors of Mendocino and Sonoma Counties adopt resolutions requesting the state to mandate the election specified in Sections 71 and 72 and the costs thereof.

SEC. 73. The exemptions contained in or authorized by Article XIII of the California Constitution shall not apply to a special tax authorized by this chapter.

SEC. 74. No special tax authorized by this chapter shall be imposed upon a federal or state governmental agency or another local agency.

SEC. 75. A special tax levied on parcels of real property shall be computed, entered upon the tax rolls and collected in the same manner as county taxes are computed, entered and collected. The taxes shall be a lien on the taxable property of the district and shall be paid with, and not separately from, county taxes.

Article 2. Assessments

SEC. 90. The district may, by ordinance adopted after notice and hearing, determine and levy an assessment for the purposes of the district pursuant to this article. The assessment may be made for the purpose of providing emergency medical services or, if approved pursuant to Section 42, health care facilities, whether or not the services are actually used by or upon a parcel, improvement, or property.

SEC. 91. The ordinance shall establish uniform schedules and rates based upon the type of use of property and the risk classification of the population housed or potentially housed in structures or other improvements on, or the use of, the property. The risk classification may include, but need not be limited to, population density or potential population at risk in the structure or on the parcel or

property, and other factors relating to potential demand for, and the costs of, providing services of the district to that property or the population residing thereon. The assessment shall be related to the benefits to the property assessed based on the factors considered.

SEC. 92. The board of the district shall cause to be prepared and filed a written report which shall contain all of the following:

(a) A description of each lot or parcel of property proposed to be subject to the assessment.

(b) The amount of the assessment for each lot or parcel for the initial fiscal year.

(c) The maximum amount of the assessment which may be levied for each lot or parcel during any fiscal year.

(d) The duration of the assessment.

(e) The basis of the assessment.

(f) The schedule of the assessment.

SEC. 93. (a) The board may establish zones or areas of benefit within the district and may restrict the imposition of assessment to areas lying within one or more of the zones or areas of benefit established within the district.

(b) The benefit assessment shall be levied on a parcel, class of improvement to property, or use of property basis, or a combination thereof, within the boundaries of the district, zone, or area of benefit.

The assessment may be levied against any parcel, improvement, or use of property to which such services may be made available whether or not the service is actually used.

The board shall cause notice of the filing of the report and of a time, date, and place of hearing thereon to be published pursuant to Section 6066 of the Government Code and to be posted in at least three public places within the district. The board shall also cause a copy of the notice of the filing of the report and of the time, date, and place of hearing thereon to be mailed to each parcel or property owner whose property would be subject to the assessment. The notice shall be mailed at least two weeks prior to the date set for hearing to those persons whose name and address appear on the last equalized county assessment roll, the State Board of Equalization assessment roll, or as known to the board.

SEC. 94. At any time not later than the hour set for the hearing, any holder, whether a fee owner, lessee, or otherwise, of the interest in the property which is proposed to be assessed and who will be obligated to pay any proposed assessment, may make written protest against the proposed assessment. The protest shall be in writing, shall contain a description of the property and the interest in the property which each signer of the protest represents, sufficient to identify the property, and, if the signers are not shown on the last equalized assessment roll as the owners of that property, shall contain, or be accompanied by, written evidence that the signers are the holders of the property interest proposed to be charged and who will be obligated to pay the proposed charge. All protests shall be delivered to the board of the local agency, and no other protests or objections

shall be considered.

SEC. 95. (a) At the time, date, and place stated in the notice the board shall hear and consider all objections to protests, if any, to the report referred to in the notice.

(b) Any written protest may be withdrawn, in writing, by the person who made the protest at any time prior to the conclusion of the protest hearing or any adjournment of the hearing.

SEC. 96. If the board finds that the protest is made by holders of property interests proposed to be assessed and who will be obligated to pay the proposed assessments representing 50 percent or more of the total amount of expected revenue from the assessment, and protests are not withdrawn to reduce the same to less than 50 percent, the proposed assessment so protested shall be abandoned. If the board finds that the protest is made by holders of property interests proposed to be assessed and who will be obligated to pay the proposed assessment, representing more than 5 percent but less than 50 percent of the total amount of expected revenue from the assessment, and protests are not withdrawn so as to reduce the same to less than 5 percent, the proposed assessment so protested shall either be submitted to approval by a majority of the voters of the district, zone, or area of benefit voting on the proposition or abandoned.

The district shall pay each county for costs, if any, incurred by the county in conducting the election. An election called by the board pursuant to this article is subject to all provisions of the Elections Code applicable to elections called by the district.

SEC. 97. If it shall be necessary, in order to find whether a 5 percent protest exists, to determine whether any or all of the signers of written protests are the holders of property interests proposed to be assessed and who will be obligated to pay the proposed assessment, the board shall make the determination from the latest equalized assessment roll, any written evidence submitted with a written protest, and any other evidence received at the hearing. The legislative body shall be under no duty to obtain or consider any other evidence as to the holding of property interests, and its determination of valid protests shall be final and conclusive.

If no protests or objections in writing have been delivered to the board up to the hour set for hearing thereof, or if valid protests have been found by the board to be less than 5 percent of the total amount of expected revenue the board may, upon the conclusion of the hearing adopt, revise, change, reduce, or modify each or any assessment. The board shall make a determination upon each assessment as described in the report or as determined at the hearing, and thereafter, by ordinance, shall determine and levy the assessment.

SEC. 98. The board may provide for the collection of the assessment in the same manner, and subject to the same penalties as, other fees, charges, and taxes fixed and collected by, or on behalf of the district. If the assessments are collected by the county, the county

may deduct reasonable costs incurred for that service before remittal of the balance to the district's treasury.

SEC. 99. The provisions of Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure apply to any judicial action or proceeding to validate, attack, review, set aside, void, or annul an ordinance levying an assessment or modifying or amending an existing ordinance.

If an ordinance provides for an automatic adjustment in an assessment, and the automatic adjustment results in an increase in the amount of an assessment, any action or proceeding to attack, review, set aside, void, or annul the increase shall be commenced within 90 days of the effective date of the increase.

Any appeal from a final judgment in the action or proceeding brought pursuant to this section shall be filed within 30 days after entry of the judgment.

SEC. 100. This article does not limit or prohibit the levy or collection of any other fee, charge, assessment or tax for district services authorized by any other provisions of this act or other law.

SEC. 110. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because this act is in accordance with the request of a local agency or school district which desired legislative authority to carry out the program specified in this act.

SEC. 115. The Legislature finds and declares that a special law is necessary and that a general law cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because the unique circumstances in northern Sonoma and southern Mendocino Counties. The remote character of the area, the relatively small property tax base, the dispersed nature of the population, and the great need for emergency medical services all constitute these unique circumstances.

SEC. 120. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order that the Coast Life Support District created by this act may become operative at the earliest possible time to provide necessary services in that area and to meet requirements for elections it is necessary that this act take effect immediately.

CHAPTER 376

An act to amend Section 6030 of, and to add and repeal Section 6030.1 of, the Penal Code, relating to correctional facilities.

[Approved by Governor July 16, 1986 Filed with Secretary of State July 16, 1986]

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

SECTION 1. Section 6030 of the Penal Code is amended to read:

6030. (a) The Board of Corrections shall establish minimum standards for local detention facilities by July 1, 1972. The Board of Corrections shall review such standards biennially and make any appropriate revisions.

(b) The standards shall include, but not be limited to, the following: health and sanitary conditions, fire and life safety, security, rehabilitation programs, recreation, treatment of persons confined in local detention facilities, and personnel training.

(c) Such standards shall require that at least one person on duty at the facility is knowledgeable in the area of fire and life safety procedures.

(d) The standards shall also include requirements relating to the acquisition, storage, labeling, packaging, and dispensing of drugs.

(e) In establishing minimum standards, the Board of Corrections shall seek the advice of the following:

(1) For health and sanitary conditions:

The State Department of Health Services, physicians, psychiatrists, local public health officials, and other interested persons.

(2) For fire and life safety:

The State Fire Marshal, local fire officials, and other interested persons.

(3) For security, rehabilitation programs, recreation, and treatment of persons confined in local detention facilities:

The Department of Corrections, the Department of the Youth Authority, local juvenile justice commissions, local correctional officials, experts in criminology and penology, and other interested persons.

(4) For personnel training:

The Commission on Peace Officer Standards and Training, psychiatrists, experts in criminology and penology, the Department of Corrections, the Department of the Youth Authority, local correctional officials, and other interested persons.

SEC. 2. Section 6030.1 is added to the Penal Code, to read:

6030.1. (a) The Board of Corrections, as lead agency, with support from the Board of Pharmacy, and with an advisory committee, shall conduct a study into the acquisition, storage, labeling, packaging, and dispensing of drugs in state, city, county, or city and county detention or correctional facilities.

(b) (1) The advisory committee referred to in subdivision (a) shall be composed of a representative designated by each of the following entities: the Department of Corrections, Youth Authority, the Youth and Adult Correctional Agency, the California Pharmacists Association, California Medical Association, California State Sheriffs' Association, County Supervisors of California, Chief Probation Officers Association, Conference of Local Health Officers, and California Nurses Association. It shall also include those other interested persons designated by either the Board of Corrections or the Board of Pharmacy.

(2) The correctional facilities referred to in subdivision (a) shall include both state and local facilities for adults and for juveniles.

(c) Meetings of the advisory committee shall be held in different areas of the state in order that input may be contributed by local departments, institutions, and facilities. There shall be no funds appropriated under this section for travel expenses or other expenses relating to the duties of the members of the advisory committee.

(d) After consultation with, and consideration by, the Board of Pharmacy and the advisory committee, the Board of Corrections shall develop specific proposed regulations for the various types of correctional facilities and shall make specific recommendations relating to the adoption of regulations. The Board of Corrections shall adopt regulations for local detention facilities under subdivision (d) of Section 6030. The Board of Corrections shall submit proposed regulations for state prisons to the Department of Corrections, and proposed regulations for state juvenile facilities and proposed regulations for local juvenile facilities to the Youth Authority. The Board of Corrections shall adopt specific proposals for legislation, if any is deemed necessary, and shall make recommendations as to any other action as deemed desirable, and shall set forth the related estimated costs. These matters shall be included in a written report prepared by the Board of Corrections and the Board of Pharmacy to the Legislature and the Joint Committee on Prison Construction and Operations on or before January 1, 1988.

(e) This section shall remain in effect until January 1, 1989, and as of that date is repealed.

CHAPTER 377

An act to amend Section 1717 of the Civil Code, and to amend Sections 1021, 1024, 1031, 1034.5, 1038, and 1141.21 of, to add Section 1033.5 to, to repeal and add Sections 1032, 1033, and 1034 of, and to repeal Sections 1032.5, 1032.7, 1032.8, 1033½, 1037, and 1039 of, the Code of Civil Procedure, relating to litigation costs.

[Approved by Governor July 16, 1986. Filed with Secretary of State July 16, 1986]

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

SECTION 1. Section 1717 of the Civil Code is amended to read:

1717. (a) In any action on a contract, where the contract specifically provides that attorney's fees and costs, which are incurred to enforce the provisions of that contract, shall be awarded either to one of the parties or to the prevailing party, then the party who is determined to be the party prevailing on the contract, whether he or she is the party specified in the contract or not, shall be entitled to reasonable attorney's fees in addition to other costs.

Where a contract provides for attorney's fees, as set forth above, such provision shall be construed as applying to the entire contract, unless each party was represented by counsel in the negotiation and execution of the contract, and the fact of that representation is specified in the contract.

Reasonable attorney's fees shall be fixed by the court, upon notice and motion by a party, and shall be an element of costs.

Attorney's fees provided for by this section shall not be subject to waiver by the parties to any contract which is entered into after the effective date of this section. Any provision in that contract which provides for a waiver of attorney's fees is void.

(b) (1) The court, upon notice and motion by a party, shall determine who is the party prevailing on the contract for purposes of this section, whether or not the suit proceeds to final judgment. Except as provided in paragraph (2), the party prevailing on the contract shall be the party who recovered a greater relief in the action on the contract. The court may also determine that there is no party prevailing on the contract for the purposes of this section.

(2) Where an action has been voluntarily dismissed or dismissed pursuant to a settlement of the case, there shall be no party prevailing on the contract for purposes of this section.

(3) Where the defendant alleges in his or her answer that he or she tendered to the plaintiff the full amount to which he or she was entitled, and thereupon deposits in court, for the plaintiff, the amount so tendered, and the allegation is found to be true, then the defendant is deemed to be a party prevailing on the contract within the meaning of this section.

Where a deposit has been made pursuant to this section, the court

shall, on the application of any party to the action, order the deposit to be invested in an insured, interest-bearing account. Interest on the amount shall be allocated to the parties in the same proportion as the original funds are allocated.

SEC. 2. Section 1021 of the Code of Civil Procedure is amended to read:

1021. Except as attorney's fees are specifically provided for by statute, the measure and mode of compensation of attorneys and counselors at law is left to the agreement, express or implied, of the parties; but parties to actions or proceedings are entitled to their costs, as hereinafter provided.

SEC. 3. Section 1024 of the Code of Civil Procedure is amended to read:

1024. When an application is made to the court or referee to postpone a trial, the payment of the expenses occasioned by the postponement may be imposed, in the discretion of the court or referee, as a condition of granting the same.

SEC. 4. Section 1031 of the Code of Civil Procedure is amended to read:

1031. In actions for the recovery of wages for labor performed, where the amount of the demand, exclusive of interest, does not exceed three hundred dollars ($300), the court shall add, as part of the cost, in any judgment recovered by the plaintiff or cross-complainant, an attorney's fee not exceeding 20 percent of the amount recovered.

SEC. 5. Section 1032 of the Code of Civil Procedure is repealed.

SEC. 6. Section 1032 is added to the Code of Civil Procedure, to read:

1032. (a) As used in this section, unless the context clearly requires otherwise:

(1) "Complaint" includes a cross-complaint.

(2) "Defendant" includes a cross-defendant or a person against whom a complaint is filed.

(3) "Plaintiff" includes a cross-complainant or a party who files a complaint in intervention.

(4) "Prevailing party" includes the party with a net monetary recovery, a defendant in whose favor a dismissal is entered, a defendant where neither plaintiff nor defendant obtains any relief, and a defendant as against those plaintiffs who do not recover any relief against that defendant. When any party recovers other than monetary relief and in situations other than as specified, the "prevailing party" shall be as determined by the court, and under those circumstances, the court, in its discretion, may allow costs or not and, if allowed may apportion costs between the parties on the same or adverse sides pursuant to rules adopted under Section 1034.

(b) Except as otherwise expressly provided by statute, a prevailing party is entitled as a matter of right to recover costs in any action or proceeding.

(c) Nothing in this section shall prohibit parties from stipulating

to alternative procedures for awarding costs in the litigation pursuant to rules adopted under Section 1034.

SEC. 7. Section 1032.5 of the Code of Civil Procedure is repealed.

SEC. 8. Section 1032.7 of the Code of Civil Procedure is repealed.

SEC. 9. Section 1032.8 of the Code of Civil Procedure is repealed.

SEC. 10. Section 1033 of the Code of Civil Procedure is repealed.

SEC. 11. Section 1033 is added to the Code of Civil Procedure, to read:

1033. Costs or any portion of claimed costs shall be as determined by the court in its discretion in accordance with Section 1034 where the prevailing party recovers a judgment that could have been rendered in a court of lesser jurisdiction.

SEC. 12. Section 1033½ of the Code of Civil Procedure is repealed.

SEC. 13. Section 1033.5 is added to the Code of Civil Procedure to read:

1033.5. (a) The following items are allowable as costs under Section 1032:

(1) Filing, motion, and jury fees.

(2) Juror food and lodging while they are kept together during trial and after the jury retires for deliberation.

(3) Taking, videotaping, and transcribing necessary depositions including an original and one copy of those taken by the claimant and one copy of depositions taken by the party against whom costs are allowed, and travel expenses to attend depositions.

(4) Service of process by a public officer, registered process server, or other means, as follows:

(A) When service is by a public officer, the recoverable cost is the fee authorized by law at the time of service.

(B) If service is by a process server registered pursuant to Chapter 16 (commencing with Section 22350) of Division 8 of the Business and Professions Code, the recoverable cost is the amount actually incurred in effecting service, including, but not limited to, a stake out or other means employed in locating the person to be served, unless such charges are successfully challenged by a party to the action.

(C) When service is by publication, the recoverable cost is the sum actually incurred in effecting service.

(D) When service is by a means other than that set forth in subparagraph (A), (B) or (C), the recoverable cost is the lesser of the sum actually incurred, or the amount allowed to a public officer in this state for such service, except that the court may allow the sum actually incurred in effecting service upon application pursuant to paragraph (4) of subdivision (c).

(5) Expenses of attachment including keeper's fees.

(6) Premiums on necessary surety bonds.

(7) Ordinary witness fees pursuant to Section 68093 of the Government Code.

(8) Fees of expert witnesses ordered by the court.

(9) Transcripts of court proceedings ordered by the court.

(10) Attorney fees authorized by statute, assessed upon motion or on default judgment.

(11) Court reporters fees as established by statute.

(12) Models and blowups of exhibits and photocopies of exhibits may be allowed if they were reasonably helpful to aid the trier of fact.

(13) Any other item that is required to be awarded to the prevailing party pursuant to statute as an incident to prevailing in the action at trial or on appeal.

(b) The following items are not allowable as costs, except when expressly authorized by law:

(1) Fees of experts not ordered by the court.

(2) Investigation expenses in preparing the case for trial.

(3) Postage, telephone, and photocopying charges, except for exhibits.

(4) Costs in investigation of jurors or in preparation for voir dire.

(5) Transcripts of court proceedings not ordered by the court.

(c) Any award of costs shall be subject to the following:

(1) Costs are allowable if incurred, whether or not paid.

(2) Allowable costs shall be reasonably necessary to the conduct of the litigation rather than merely convenient or beneficial to its preparation.

(3) Allowable costs shall be reasonable in amount.

(4) Items not mentioned in this section and items assessed upon application may be allowed or denied in the court's discretion.

(5) When any statute of this state refers to the award of "costs and attorney's fees," attorney's fees are an item and component of the costs to be awarded and are within the ambit of paragraph (10) of subdivision (a).

SEC. 14. Section 1034 of the Code of Civil Procedure is repealed.

SEC. 15. Section 1034 is added to the Code of Civil Procedure, to read:

1034. (a) Prejudgment costs allowable under this chapter shall be claimed and contested in accordance with rules adopted by the Judicial Council.

(b) The Judicial Council shall establish by rule allowable costs on appeal and the procedure for claiming those costs.

SEC. 16. Section 1034.5 of the Code of Civil Procedure is amended to read:

1034.5. In unlawful detainer proceedings, the plaintiff who recovers judgment for possession of premises, and who advances or pays to the sheriff or marshal the expenses required for the eviction of any persons in possession or occupancy of the premises and the personal property of such persons, shall, after being advised by the sheriff or marshal of the exact amount necessarily used and expended to effect the eviction, be allowed to file a request for the same pursuant to rules adopted by the Judicial Council.

SEC. 17. Section 1037 of the Code of Civil Procedure is repealed.

SEC. 18. Section 1038 of the Code of Civil Procedure is amended

to read:

1038. (a) In any civil proceeding under the California Tort Claims Act or for express or implied indemnity or for contribution in any civil action, the court, upon motion of the defendant or cross-defendant, shall, at the time of the granting of any summary judgment, motion for directed verdict, motion for judgment under Section 631.8, or any nonsuit dismissing the moving party other than the plaintiff, petitioner, cross-complainant, or intervenor, or at a later time set forth by rule of the Judicial Council adopted under Section 1034 determine whether or not the plaintiff, petitioner, cross-complainant, or intervenor brought the proceeding with reasonable cause and in the good faith belief that there was a justiciable controversy under the facts and law which warranted the filing of the complaint, petition, cross-complaint, or complaint in intervention. If the court should determine that the proceeding was not brought in good faith and with reasonable cause, an additional issue shall be decided as to the defense costs reasonably and necessarily incurred by the party or parties opposing the proceeding, and the court shall render judgment in favor of that party in the amount of all reasonable and necessary defense costs, in addition to those costs normally awarded to the prevailing party.

(b) "Defense costs," as used in this section, shall include reasonable attorneys' fees, expert witness fees, the expense of services of experts, advisers, and consultants in defense of the proceeding, and where reasonably and necessarily incurred in defending the proceeding.

(c) This section shall be applicable only on motion made prior to the discharge of the jury or entry of judgment, and any party requesting the relief pursuant to this section waives any right to seek damages for malicious prosecution. Failure to make such motion shall not be deemed a waiver of the right to pursue a malicious prosecution action.

(d) This section shall only apply if the defendant or cross-defendant has made a motion for summary judgment, judgment under Section 631.8, directed verdict, or nonsuit and the motion is granted.

SEC. 19. Section 1039 of the Code of Civil Procedure is repealed.

SEC. 20. Section 1141.21 of the Code of Civil Procedure is amended to read:

1141.21. (a) If the judgment upon the trial de novo is not more favorable in either the amount of damages awarded or the type of relief granted for the party electing the trial de novo than the arbitration award, the court shall order that party to pay the following nonrefundable costs and fees, unless the court finds in writing and upon motion that the imposition of such costs and fees would create such a substantial economic hardship as not to be in the interest of justice:

(i) To the county, the compensation actually paid to the arbitrator, less any amount paid pursuant to paragraph (iv).

(ii) To the other party or parties, all costs specified in Section 1033.5, and the party electing the trial de novo shall not recover his or her costs.

(iii) To the other party or parties, the reasonable costs of the services of expert witnesses, who are not regular employees of any party, actually incurred or reasonably necessary in the preparation or trial of the case.

(iv) To the other party or parties, the compensation paid by the other party or parties to the arbitrator, pursuant to subdivision (b) of Section 1141.28.

Such costs and fees, other than the compensation of the arbitrator, shall include only those incurred from the time of election of the trial de novo.

(b) If the party electing the trial de novo has proceeded in the action in forma pauperis and has failed to obtain a more favorable judgment, the costs and fees under paragraphs (ii) and (iii) of subdivision (a) shall be imposed only as an offset against any damages awarded in favor of that party.

(c) If the party electing the trial de novo has proceeded in the action in forma pauperis and has failed to obtain a more favorable judgment, the costs under paragraph (i) of subdivision (a) shall be imposed only to the extent that there remains a sufficient amount in the judgment after the amount offset under subdivision (b) has been deducted from the judgment.

CHAPTER 378

An act to add Chapter 21 (commencing with Section 22500) to Division 8 of the Business and Professions Code, relating to ticket sellers.

[Approved by Governor July 16, 1986 Filed with Secretary of State July 16, 1986]

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

SECTION 1. Chapter 21 (commencing with Section 22500) is added to Division 8 of the Business and Professions Code, to read:

CHAPTER 21. TICKET SELLERS

22500. A ticket seller shall have a permanent business address from which tickets may only be sold and that address shall be included in any advertisement or solicitation, and shall be duly licensed as may be required by any local jurisdiction.

22501. A ticket seller shall maintain records of ticket sales, deposits, and refunds.

22502. A ticket seller shall, prior to sale, disclose to the purchaser

by means of description or a map the location of the seat or seats represented by the ticket or tickets.

22503. A ticket seller, as used in this chapter, means any person who for compensation, commission, or otherwise sells admission tickets to sporting, musical, theatre, or any other entertainment event.

22503.5. This chapter does not apply to any primary contractor or seller of tickets for the primary contractor operating under a written contract with the primary contractor.

"Primary contractor" means the person or organization who is responsible for the event for which tickets are being sold.

22503.6. This chapter does not apply to an officially appointed agent of an air carrier, ocean carrier or motor coach carrier who purchases or sells tickets in conjunction with a tour package accomplished through the primary event promoter or his or her agent by written agreement.

22504. This chapter does not apply to any person who sells six tickets or less to any one single event, provided the tickets are sold off the premises where the event is to take place, including, but not limited to, designated parking areas and points of entry to the event.

22505. A violation of any provision of this chapter shall constitute a misdemeanor.

22506. Any partial or full deposit received by a ticket seller on a future event for which tickets are not available shall be refundable except for a service charge of not more than 10 percent until tickets for the event are actually available.

22507. The ticket price of any event which is canceled, postponed, or rescheduled shall be fully refunded to the purchaser by the ticket seller upon request. Any local jurisdiction may require a ticket seller to provide a bond of not more than fifty thousand dollars ($50,000) to provide for any refunds that may be required by this section.

22508. A ticket seller shall disclose that a service charge is imposed by the ticket seller and is added to the actual ticket price by the seller in any advertisement or promotion for any event by the ticket seller.

22509. Any ticket seller who includes tickets to an event in conjunction with the sale of a tour or event package, including, among other things, transportation, meals, lodging, or beverages, shall disclose in any advertisements or promotional materials the price charged or allotted for the tickets.

22510. Nothing in this chapter prohibits any local agency from imposing any local fees or taxes.

22511. This chapter does not apply to any nonprofit charitable tax-exempt organization selling tickets to an event sponsored by the organization.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district

will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

CHAPTER 379

An act to amend Section 347 of the Penal Code, relating to crimes.

[Approved by Governor July 16, 1986 Filed with Secretary of State July 16, 1986.]

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

SECTION 1. Section 347 of the Penal Code is amended to read:

347. (a) Every person who willfully mingles any poison or harmful substance with any food, drink, medicine, or pharmaceutical product or who willfully places any poison or harmful substance in any spring, well, reservoir, or public water supply, where the person knows or should have known that the same would be taken by any human being to his or her injury, is guilty of a felony punishable by imprisonment in the state prison for two, four, or five years.

Any violation of this subdivision involving the use of a poison or harmful substance which may cause death if ingested or which causes the infliction of great bodily injury on any person shall be punished by an additional term of three years.

(b) Any person who maliciously informs any other person that a poison or other harmful substance has been or will be placed in any food, drink, medicine, pharmaceutical product, or public water supply, knowing that such report is false, is guilty of a crime punishable by imprisonment in the state prison, or by imprisonment in the county jail not to exceed one year.

(c) The court may impose the maximum fine for each item tampered with in violation of subdivision (a).

CHAPTER 380

An act to amend Sections 21659 and 21660 of the Public Utilities Code, relating to aviation.

[Approved by Governor July 16, 1986 Filed with Secretary of State July 16, 1986]

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

SECTION 1. Section 21659 of the Public Utilities Code is amended to read:

21659. (a) No person shall construct or alter any structure or

permit any natural growth to grow at a height which exceeds the obstruction standards set forth in the regulations of the Federal Aviation Administration relating to objects affecting navigable airspace contained in Title 14 of the Code of Federal Regulations, Part 77, Subpart C, unless a permit allowing the construction, alteration, or growth is issued by the department.

(b) The permit is not required if the Federal Aviation Administration has determined that the construction, alteration, or growth does not constitute a hazard to air navigation or would not create an unsafe condition for air navigation. Subdivision (a) does not apply to a pole, pole line, distribution or transmission tower, or tower line or substation of a public utility.

(c) Section 21658 is applicable to subdivision (b).

SEC. 2. Section 21660 of the Public Utilities Code is amended to read:

21660. The department may refuse issuance of a permit under Section 21659 if it determines that the construction or alteration of the structure or growth of the natural growth would constitute a hazard to air navigation or create an unsafe condition for air navigation.

Any person denied a permit shall, upon request, be granted a hearing by the department to determine whether a permit shall be issued. The hearing shall be held pursuant to Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

CHAPTER 381

An act to add Chapter 12.3 (commencing with Section 8876.1) to Division 1 of Title 2 of the Government Code, relating to seismic safety, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 16, 1986 Filed with Secretary of State July 16, 1986]

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

SECTION 1. Chapter 12.3 (commencing with Section 8876.1) is added to Division 1 of Title 2 of the Government Code, to read:

CHAPTER 12.3. CALIFORNIA CENTER FOR EARTHQUAKE ENGINEERING

8876.1. The Legislature finds and declares that:

(a) California is located on the Circum-Pacific seismic belt, and it is inevitable that earthquakes occurring along the state's numerous faults would cause extensive damage to property and could cause

extensive loss of life and injury.

(b) A moderate earthquake will probably occur in central California within two or three years, another great earthquake in southern California can be anticipated in the next 20 years, recently increased earthquake activity in the San Francisco Bay Area could be the return to a normal cycle of severe activity, and a damaging earthquake in San Diego is not unlikely.

(c) Earthquake hazard reduction measures often benefit many state and local programs and practices in engineering and other professional fields leading to improvements in existing and new buildings, dams and utility systems, transportation facilities, communications systems, fire and toxic materials safety, and disaster preparedness.

(d) It is in the interests of the safety of all California residents and visitors that the California Center for Earthquake Engineering be created to develop new and improved hazard reduction measures through engineering research and application that will reduce the potential for death, injury, and damage.

(e) The National Science Foundation, as part of its program to sponsor special centers for engineering excellence at notable United States universities, will financially support the work of the center in the sum of up to three million dollars ($3,000,000) per year for five years beginning in 1986, if matching funds are provided.

8876.2. (a) The Seismic Safety Commission shall contract with a consortium of public and private institutions of higher education for the establishment of the California Center for Earthquake Engineering.

(b) The objective of the center is to greatly increase the effectiveness of hazard reduction through earthquake engineering and research and application.

(c) The center's role will be to establish a comprehensive, multiuniversity research program focusing on common problems that will take full advantage of the facilities and programs of the participating institutions.

(d) In order to meet this objective, the center shall undertake the following responsibilities:

(1) To find and disseminate practical and economical ways to prevent the collapse of existing earthquake-hazardous structures of all types.

(2) To train future engineers and others in the latest theories and techniques of earthquake-resistant design, so that related professional practices, standards, and codes are improved throughout the state.

(3) To develop improved techniques for determining the suitability of sites for the construction of large structures, to produce better information about building design criteria, to develop improved computer models and techniques for understanding the critical design relationships between soil conditions, foundations, and building systems, to develop techniques for strengthening existing

buildings, to design simpler methods of evaluating the actual performance of buildings, and to plan and conduct experiments on existing buildings.

(4) To improve the analytical methods used for the earthquake-resistant design of dams, to develop techniques for improving the evaluation of the earthquake resistance of existing dams, and to conduct related experiments and field studies.

(5) To implement improved methods for analysis of utility and transportation systems, to expand the data base about their performance in previous earthquakes, to prepare and disseminate practical mitigation strategies, to develop standards for new design, and to develop cost-effective methods for strengthening structures of this type, including bridges, airports, and marine ports, and key components of electrical power, telecommunication, water treatment, and sewage disposal systems.

8876.3. In carrying out the above responsibilities, the center shall do all of the following:

(a) Encourage California universities and research organizations having special facilities and expertise to submit proposals in cooperation with the participating universities.

(b) Improve, to the extent necessary, laboratory and testing equipment to assure the capability to conduct adequate studies and experiments, and to study the needs for large-scale and innovative experimental and testing facilities to support earthquake engineering research.

(c) Design the scope of its projects to involve practicing engineers, design and construction personnel, governmental officials, and researchers and practitioners from other disciplines, to assure a multidisciplinary approach and an early understanding and application of the results.

(d) In cooperation with other organizations, sponsor courses, seminars, conferences, and other methods of achieving the widespread dissemination and understanding of the results of the research.

(e) Give special attention to involving students directly in the projects and dissemination efforts, so that they are better able to apply and communicate their knowledge.

8876.4. The contracting institution or consortium of institutions shall establish a board of governors to establish policy and oversee the work of the center, and appoint a director. The director shall serve at the pleasure of the board of governors.

An advisory council shall be appointed by and report to the board of governors on research priorities, criteria for the selection of projects, and methods for effectively transferring results into practice. Members shall be appointed for two-year terms. The Seismic Safety Commission shall appoint a member of the commission or staff to serve on the advisory council. Representatives of other state agencies selected by the board of governors for membership shall be appointed by their respective department

heads.

8876.5. In carrying out its responsibilities, the Seismic Safety Commission shall monitor the work of the center, recommend priorities and projects, help interpret the results of research that could affect state law and policy, recommend ways to promote the application of research, and do whatever else is necessary to assure high quality research and effective operations of the center.

SEC. 2. The sum of three million dollars ($3,000,000) is hereby appropriated from the General Fund, contingent upon the Director of Finance determining that matching federal funds have been approved, to the Seismic Safety Commission for the purposes of this act for expenditure during the 1986-87 fiscal year. The commission may retain a maximum of one hundred thousand dollars ($100,000) per year to pay for its costs associated with the center. The commission shall request the same amount for at least the four subsequent fiscal years, contingent upon the Director of Finance determining that matching federal funds have been approved. The commission is authorized to contract as authorized in Section 8876.2 of the Government Code for the conduct of work pursuant to this act.

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

In order to significantly reduce the threats to life and safety from expected earthquakes in the near future, and to take advantage of the support of the National Science Foundation, and in order that the research, development, and implementation of the work of the California Center for Earthquake Engineering may be done as soon as possible, it is necessary for this act to take effect immediately.

CHAPTER 382

An act to amend Section 1036 of, and to add Sections 1034.5 and 1039 to, the Public Utilities Code, relating to carriers.

[Approved by Governor July 16, 1986 Filed with Secretary of State July 16, 1986]

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

SECTION 1. Section 1034.5 is added to the Public Utilities Code, to read:

1034.5. Every corporation or person who knowingly and willfully issues, publishes, or affixes, or causes or permits the issuance, publishing, or affixing, of any oral or written advertisement, broadcast, or other holding out to the public, or any portion thereof, that the corporation or person is in operation as a passenger stage corporation without having a valid certificate or issued under this

article is guilty of a misdemeanor punishable, if an individual, by a fine of not more than one thousand dollars ($1,000) or by imprisonment in the county jail for not more than six months, or by both, or, if a corporation, by a fine of not more than five thousand dollars ($5,000).

SEC. 2. Section 1036 of the Public Utilities Code is amended to read:

1036. (a) Each application for a certificate of public convenience and necessity made under this article shall be accompanied by a fee of five hundred dollars ($500), unless the applicant is already operating in the immediate vicinity under the jurisdiction of the commission.

(b) No certificate issued pursuant to, or rights to conduct any of the services authorized by, this article shall be sold, leased, or assigned, or otherwise transferred or encumbered, unless authorized by the commission. A filing fee of three hundred dollars ($300) shall accompany all applications for that authorization.

SEC. 3. Section 1039 is added to the Public Utilities Code, to read:

1039. In every written or oral advertisement of the service it offers, every passenger stage corporation shall state the number of its certificate or identifying symbol, as specified by the commission.

SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

CHAPTER 383

An act to amend Sections 3445, 3446, and 3447 of, to amend the heading of Chapter 3 (commencing with Section 3445) of Title 2 of Part 2 of Division 4 of, and to repeal and add Chapter 1 (commencing with Section 3439) of Title 2 of Part 2 of Division 4 of, the Civil Code, and to amend Section 487.020 of the Code of Civil Procedure, relating to fraudulent transfers.

[Approved by Governor July 16, 1986 Filed with Secretary of State July 16, 1986]

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

SECTION 1. Chapter 1 (commencing with Section 3439) of Title 2 of Part 2 of Division 4 of the Civil Code is repealed.

SEC. 2. Chapter 1 (commencing with Section 3439) is added to Title 2 of Part 2 of Division 4 of the Civil Code, to read:

CHAPTER 1. UNIFORM FRAUDULENT TRANSFER ACT

3439. This chapter may be cited as the Uniform Fraudulent Transfer Act.

3439.01. As used in this chapter the following definitions are applicable:

(a) "Asset" means property of a debtor, but the term does not include, the following:

(1) Property to the extent it is encumbered by a valid lien.

(2) Property to the extent it is generally exempt under nonbankruptcy law.

(3) An interest in property held in tenancy by the entireties to the extent it is not subject to process by a creditor holding a claim against only one tenant.

(b) "Claim" means a right to payment, whether or not the right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured.

(c) "Creditor" means a person who has a claim, and includes an assignee of a general assignment for the benefit of creditors, as defined in Section 493.010 of the Code of Civil Procedure, of a debtor.

(d) "Debt" means liability on a claim.

(e) "Debtor" means a person who is liable on a claim.

(f) "Lien" means a charge against or an interest in property to secure payment of a debt or performance of an obligation, and includes a security interest created by agreement, a judicial lien obtained by legal or equitable process or proceedings, a common-law lien, or a statutory lien.

(g) "Person" means an individual, partnership, corporation, association, organization, government or governmental subdivision or agency, business trust, estate, trust, or any other legal or commercial entity.

(h) "Property" means anything that may be the subject of ownership.

(i) "Transfer" means every mode, direct or indirect, absolute or conditional, voluntary or involuntary, of disposing of or parting with an asset or an interest in an asset, and includes payment of money, release, lease, and creation of a lien or other encumbrance.

(j) "Valid lien" means a lien that is effective against the holder of a judicial lien subsequently obtained by legal or equitable process or proceedings.

3439.02. (a) A debtor is insolvent if, at fair valuations, the sum of the debtor's debts is greater than all of the debtor's assets.

(b) A debtor which is a partnership is insolvent if, at fair valuations, the sum of the partnership's debts is greater than the aggregate of all of the partnership's assets and the sum of the excess of the value of each general partner's nonpartnership assets over the partner's nonpartnership debts.

(c) A debtor who is generally not paying his or her debts as they

become due is presumed to be insolvent.

(d) Assets under this section do not include property that has been transferred, concealed, or removed with intent to hinder, delay, or defraud creditors or that has been transferred in a manner making the transfer voidable under this chapter.

(e) Debts under this section do not include an obligation to the extent it is secured by a valid lien on property of the debtor not included as an asset.

3439.03. Value is given for a transfer or an obligation if, in exchange for the transfer or obligation, property is transferred or an antecedent debt is secured or satisfied, but value does not include an unperformed promise made otherwise than in the ordinary course of the promisor's business to furnish support to the debtor or another person.

3439.04. A transfer made or obligation incurred by a debtor is fraudulent as to a creditor, whether the creditor's claim arose before or after the transfer was made or the obligation was incurred, if the debtor made the transfer or incurred the obligation as follows:

(a) With actual intent to hinder, delay, or defraud any creditor of the debtor.

(b) Without receiving a reasonably equivalent value in exchange for the transfer or obligation, and the debtor:

(1) Was engaged or was about to engage in a business or a transaction for which the remaining assets of the debtor were unreasonably small in relation to the business or transaction; or

(2) Intended to incur, or believed or reasonably should have believed that he or she would incur, debts beyond his or her ability to pay as they became due.

3439.05. A transfer made or obligation incurred by a debtor is fraudulent as to a creditor whose claim arose before the transfer was made or the obligation was incurred if the debtor made the transfer or incurred the obligation without receiving a reasonably equivalent value in exchange for the transfer or obligation and the debtor was insolvent at that time or the debtor became insolvent as a result of the transfer or obligation.

3439.06. For the purposes of this chapter:

(a) A transfer is made:

(1) With respect to an asset that is real property other than a fixture, but including the interest of a seller or purchaser under a contract for the sale of the asset, when the transfer is so far perfected that a good faith purchaser of the asset from the debtor against whom applicable law permits the transfer to be perfected cannot acquire an interest in the asset that is superior to the interest of the transferee; and

(2) With respect to an asset that is not real property or that is a fixture, when the transfer is so far perfected that a creditor on a simple contract cannot acquire a judicial lien otherwise than under this chapter that is superior to the interest of the transferee.

(b) If applicable law permits the transfer to be perfected as

provided in subdivision (a) and the transfer is not so perfected before the commencement of an action for relief under this chapter, the transfer is deemed made immediately before the commencement of the action.

(c) If applicable law does not permit the transfer to be perfected as provided in subdivision (a), the transfer is made when it becomes effective between the debtor and the transferee.

(d) A transfer is not made until the debtor has acquired rights in the asset transferred.

(e) An obligation is incurred:

(1) If oral, when it becomes effective between the parties; or

(2) If evidenced by a writing, when the writing executed by the obligor is delivered to or for the benefit of the obligee.

3439.07. (a) In an action for relief against a transfer or obligation under this chapter, a creditor, subject to the limitations in Section 3439.08, may obtain:

(1) Avoidance of the transfer or obligation to the extent necessary to satisfy the creditor's claim.

(2) An attachment or other provisional remedy against the asset transferred or its proceeds in accordance with the procedures described in Title 6.5 (commencing with Section 481.010) of Part 2 of the Code of Civil Procedure.

(3) Subject to applicable principles of equity and in accordance with applicable rules of civil procedure, the following:

(A) An injunction against further disposition by the debtor or a transferee, or both, of the asset transferred or its proceeds.

(B) Appointment of a receiver to take charge of the asset transferred or its proceeds.

(C) Any other relief the circumstances may require.

(b) If a creditor has commenced an action on a claim against the debtor, the creditor may attach the asset transferred or its proceeds if the remedy of attachment is available in the action under applicable law and the property is subject to attachment in the hands of the transferee under applicable law.

(c) If a creditor has obtained a judgment on a claim against the debtor, the creditor may levy execution on the asset transferred or its proceeds.

(d) A creditor who is an assignee of a general assignment for the benefit of creditors, as defined in Section 493.010 of the Code of Civil Procedure, may exercise any and all of the rights and remedies specified in this section if they are available to any one or more creditors of the assignor who are beneficiaries of the assignment, and, in that event (1) only to the extent the rights or remedies are so available and (2) only for the benefit of those creditors whose rights are asserted by the assignee.

3439.08. (a) A transfer or obligation is not voidable under subdivision (a) of Section 3439.04, against a person who took in good faith and for a reasonably equivalent value or against any subsequent transferee or obligee.

(b) Except as otherwise provided in this section, to the extent a transfer is voidable in an action by a creditor under paragraph (1) of subdivision (a) of Section 3439.07, the creditor may recover judgment for the value of the asset transferred, as adjusted under subdivision (c), or the amount necessary to satisfy the creditor's claim, whichever is less. The judgment may be entered against the following:

(1) The first transferee of the asset or the person for whose benefit the transfer was made.

(2) Any subsequent transferee other than a good faith transferee who took for value or from any subsequent transferee.

(c) If the judgment under subdivision (b) is based upon the value of the asset transferred, the judgment shall be for an amount equal to the value of the asset at the time of the transfer, subject to adjustment as the equities may require.

(d) Notwithstanding voidability of a transfer or an obligation under this chapter, a good faith transferee or obligee is entitled, to the extent of the value given the debtor for the transfer or obligation, to the following:

(1) A lien on or a right to retain any interest in the asset transferred.

(2) Enforcement of any obligation incurred.

(3) A reduction in the amount of the liability on the judgment.

(e) A transfer is not voidable under subdivision (b) of Section 3439.04 or Section 3439.05 if the transfer results from the following.

(1) Termination of a lease upon default by the debtor when the termination is pursuant to the lease and applicable law.

(2) Enforcement of a lien in a noncollusive manner and in compliance with applicable law, including Division 9 (commencing with Section 9101) of the Commercial Code, other than a retention of collateral under subdivision (2) of Section 9505 of the Commercial Code and other than a voluntary transfer of the collateral by the debtor to the lienor in satisfaction of all or part of the secured obligation.

3439.09. A cause of action with respect to a fraudulent transfer or obligation under this chapter is extinguished unless action is brought pursuant to subdivision (a) of Section 3439.07 or levy made as provided in subdivision (b) or (c) of Section 3439.07:

(a) Under subdivision (a) of Section 3439.04, within four years after the transfer was made or the obligation was incurred or, if later, within one year after the transfer or obligation was or could reasonably have been discovered by the claimant.

(b) Under subdivision (b) of Section 3439.04 or Section 3439.05, within four years after the transfer was made or the obligation was incurred.

(c) Notwithstanding any other provision of law, a cause of action with respect to a fraudulent transfer or obligation is extinguished if no action is brought or levy made made within seven years after the transfer was made or the obligation was incurred.

3439.10. Unless displaced by the provisions of this chapter, the principles of law and equity, including the law merchant and the law relating to principal and agent, estoppel, laches, fraud, misrepresentation, duress, coercion, mistake, insolvency, or other validating or invalidating cause, supplement its provisions.

3439.11. This chapter shall be applied and construed to effectuate its general purpose to make uniform the law with respect to the subject of this chapter among states enacting it.

SEC. 3. The heading of Chapter 3 (commencing with Section 3445) of Title 2 of Part 2 of Division 4 of the Civil Code is amended to read:

CHAPTER 3. UNDERTAKING IN FRAUDULENT TRANSFER ACTION

SEC. 4. Section 3445 of the Civil Code is amended to read:

3445. As used in this chapter:

(a) "Transfer" means "transfer" as defined in Section 3439.01.

(b) "Creditor" means "creditor" as defined in Section 3439.01.

(c) "Transferee" means the person to whom property was transferred or an obligation was incurred, or the successors or assigns of the person.

SEC. 5. Section 3446 of the Civil Code is amended to read:

3446. (a) In an action by a creditor for relief against a transfer or obligation under Chapter 1 (commencing with Section 3439) of Title 2 of Part 2 of Division 4 on the ground that the transfer or obligation is fraudulent as to the creditor, the transferee may give an undertaking as provided in this chapter.

(b) If an undertaking is given as provided in this chapter, the transferee may sell, encumber, transfer, convey, mortgage, pledge, or otherwise dispose of the property or obligation, or a part thereof, and the purchaser, encumbrancer, transferee, mortgagee, grantee, or pledgee of the property or obligation takes, owns, holds, and possesses the property or obligation unaffected by the action and any judgment that is rendered in the action.

SEC. 6. Section 3447 of the Civil Code is amended to read:

3447. The undertaking shall be conditioned that, if it is determined in the action that the transfer or obligation was fraudulent as to the creditor, the transferee will pay to the creditor the lesser of the following amounts:

(a) The value of the property or obligation as estimated in the undertaking.

(b) The amount determined in the action to be due and owing to the creditor by the person who transferred the property or incurred the obligation.

SEC. 7. Section 487.020 of the Code of Civil Procedure is amended to read:

487.020. Except as provided in paragraph (2) of subdivision (a) of Section 3439.07 of the Civil Code, the following property is exempt from attachment:

(a) All property exempt from enforcement of a money judgment.

(b) Property which is necessary for the support of a defendant who is a natural person or the family of such defendant supported in whole or in part by the defendant.

(c) "Earnings" as defined by Section 706.011.

(d) All property not subject to attachment pursuant to Section 487.010.

CHAPTER 384

An act to amend Section 4350.5 of the Business and Professions Code, and to amend Sections 11055 and 11056 of, and to add Sections 11153.5 and 11209 to, the Health and Safety Code, relating to controlled substances, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 16, 1986 Filed with Secretary of State July 17, 1986]

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

SECTION 1. Section 4350.5 of the Business and Professions Code is amended to read:

4350.5. The board shall take action against any holder of a certificate, license, permit, registration or exemption, who is guilty of unprofessional conduct which has been brought to its attention, or whose certificate, license, permit, registration or exemption has been procured by fraud or misrepresentation or issued by mistake. Unprofessional conduct shall include, but is not limited to, the violating or attempting to violate, directly or indirectly, or assisting in or abetting the violation of or conspiring to violate any provision or term of this chapter or of the applicable federal and state laws and regulations governing pharmacy, including regulations established by the board. Unprofessional conduct shall also include, but is not limited to, the following:

(a) Gross immorality.

(b) Gross incompetence.

(c) The commission of any act involving moral turpitude, dishonesty or corruption, whether the act is committed in the course of relations as a licensee or otherwise, and whether the act is a felony or misdemeanor or not.

(d) Gross negligence.

(e) The clearly excessive furnishing of controlled substances in violation of subdivision (a) of Section 11153 or subdivision (a) of Section 11153.5 of the Health and Safety Code. Factors to be considered in determining whether the furnishing of controlled substances is clearly excessive for purposes of this section shall include the amount of controlled substances furnished, the previous

ordering pattern of the customer (including size and frequency of orders), the type and size of the customer, and where and to whom the customer distributes its product.

(f) Actions or conduct which would have warranted denial of a certificate, license, permit, registration or exemption.

SEC. 2. Section 11055 of the Health and Safety Code is amended to read:

11055. (a) The controlled substances listed in this section are included in Schedule II.

(b) Any of the following substances, except those narcotic drugs listed in other schedules, whether produced directly or indirectly by extraction from substances of vegetable origin, or independently by means of chemical synthesis, or by combination of extraction and chemical synthesis:

(1) Opium and opiate, and any salt, compound, derivative, or preparation of opium or opiate, with the exception of naloxone hydrochloride (N-allyl-14-hydroxy-nordihydromorphinone hydrochloride), but including the following:

(A) Raw opium.

(B) Opium extracts.

(C) Opium fluid extracts.

(D) Powdered opium.

(E) Granulated opium.

(F) Tincture of opium.

(G) Apomorphine.

(H) Codeine.

(I) Ethylmorphine.

(J) Hydrocodone.

(K) Hydromorphone.

(L) Metopon.

(M) Morphine.

(N) Oxycodone.

(O) Oxymorphone.

(P) Thebaine.

(2) Any salt, compound, isomer, or derivative, whether natural or synthetic, of the substances referred to in paragraph (1), but not including the isoquinoline alkaloids of opium.

(3) Opium poppy and poppy straw.

(4) Coca leaves and any salt, compound, derivative, or preparation of coca leaves, but not including decocainized coca leaves or extractions which do not contain cocaine or ecgonine.

(5) Concentrate of poppy straw (the crude extract of poppy straw in either liquid, solid, or powder form which contains the phenanthrene alkaloids of the opium poppy).

(6) Cocaine, whether natural or synthetic, or any salt, isomer, derivative, or preparation thereof.

(7) Ecgonine, whether natural or synthetic, or any salt, isomer, derivative, or preparation thereof.

(c) Opiates. Unless specifically excepted or unless in another

schedule, any of the following opiates, including its isomers, esters, ethers, salts, and salts of isomers, esters, and ethers whenever the existence of those isomers, esters, ethers, and salts is possible within the specific chemical designation, dextrorphan and levopropoxyphene excepted:

(1) Alfentanyl.
(2) Alphaprodine.
(3) Anileridine.
(4) Bezitramide.
(5) Bulk dextropropoxyphene (nondosage forms).
(6) Dihydrocodeine.
(7) Diphenoxylate.
(8) Fentanyl.
(9) Isomethadone.
(10) Levomethorphan.
(11) Levorphanol.
(12) Metazocine.
(13) Methadone.
(14) Methadone-Intermediate, 4-cyano-2-dimethylamino-4, 4-diphenyl butane.
(15) Moramide-Intermediate, 2-methyl-3-morpholino-1, 1-diphenylpropane-carboxylic acid.
(16) Pethidine (meperidine).
(17) Pethidine-Intermediate-A, 4-cyano-1-methyl-4-phenylpiperidine.
(18) Pethidine-Intermediate-B, ethyl-4-phenylpiperidine-4-carboxylate.
(19) Pethidine-Intermediate-C, 1-methyl-4-phenylpiperidine-4-carboxylic acid.
(20) Phenazocine.
(21) Piminodine.
(22) Racemethorphan.
(23) Racemorphan.
(24) Sufentanyl.

(d) Stimulants. Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation which contains any quantity of the following substances having a stimulant effect on the central nervous system:

(1) Amphetamine, its salts, optical isomers, and salts of its optical isomers.
(2) Methamphetamine, its salts, isomers, and salts of its isomers.
(3) Phenmetrazine and its salts.
(4) Methylphenidate.

(e) Depressants. Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation which contains any quantity of the following substances having a depressant effect on the central nervous system, including its salts, isomers, and salts of isomers whenever the existence of those salts, isomers, and salts of isomers is possible within the specific chemical

designation:

(1) Amobarbital.

(2) Pentobarbital.

(3) Phencyclidines, including the following:

(A) 1-(1-phenylcyclohexyl) piperidine (PCP).

(B) 1-(1-phenylcyclohexyl) morpholine (PCM).

The Attorney General, or his or her designee, may, by rule or regulation, add additional analogs of phencyclidine to those enumerated in this paragraph after notice, posting, and hearing pursuant to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. The Attorney General shall, in the calendar year of the regular session of the Legislature in which the rule or regulation is adopted, submit a draft of a proposed bill to each house of the Legislature which would incorporate the analogs into this code. No rule or regulation shall remain in effect beyond January 1 after the calendar year of the regular session in which the draft of the proposed bill is submitted to each house. However, if the draft of the proposed bill is submitted during a recess of the Legislature exceeding 45 calendar days, the rule or regulation shall be effective until January 1 after the next calendar year.

(4) Secobarbital.

(5) Glutethimide.

(f) Immediate precursors. Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation which contains any quantity of the following substances:

(1) Immediate precursor to amphetamine and methamphetamine:

(A) Phenylacetone. Some trade or other names: phenyl-2 propanone; P2P; benzyl methyl ketone; methyl benzyl ketone.

(2) Immediate precursors to phencyclidine (PCP):

(A) 1-phenylcyclohexylamine.

(B) 1-piperidinocyclohexane carbonitrile (PCC).

SEC. 3. Section 11056 of the Health and Safety Code is amended to read:

11056. (a) The controlled substances listed in this section are included in Schedule III.

(b) Stimulants. Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation which contains any quantity of the following substances having a stimulant effect on the central nervous system, including its salts, isomers (whether optical, position, or geometric), and salts of those isomers whenever the existence of those salts, isomers, and salts of isomers is possible within the specific chemical designation:

(1) Those compounds, mixtures, or preparations in dosage unit form containing any stimulant substances listed in Schedule II which compounds, mixtures, or preparations were listed on August 25, 1971, as excepted compounds under Section 1308.32 of Title 21 of the Code of Federal Regulations, and any other drug of the quantitative

composition shown in that list for those drugs or which is the same except that it contains a lesser quantity of controlled substances.

(2) Benzphetamine.

(3) Chlorphentermine.

(4) Clortermine.

(5) Mazindol.

(6) Phendimetrazine.

(c) Depressants. Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation which contains any quantity of the following substances having a depressant effect on the central nervous system:

(1) Any compound, mixture, or preparation containing any of the following:

(A) Amobarbital

(B) Secobarbital

(C) Pentobarbital

or any salt thereof and one or more other active medicinal ingredients which are not listed in any schedule.

(2) Any suppository dosage form containing any of the following:

(A) Amobarbital

(B) Secobarbital

(C) Pentobarbital

or any salt of any of these drugs and approved by the federal Food and Drug Administration for marketing only as a suppository.

(3) Any substance which contains any quantity of a derivative of barbituric acid or any salt thereof.

(4) Chlorhexadol.

(5) Lysergic acid.

(6) Lysergic acid amide.

(7) Methyprylon.

(8) Sulfondiethylmethane.

(9) Sulfonethylmethane.

(10) Sulfonmethane.

(d) Nalorphine.

(e) Narcotic drugs. Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation containing any of the following narcotic drugs, or their salts calculated as the free anhydrous base or alkaloid, in limited quantities as set forth below:

(1) Not more than 1.8 grams of codeine per 100 milliliters or not more than 90 milligrams per dosage unit, with an equal or greater quantity of an isoquinoline alkaloid of opium.

(2) Not more than 1.8 grams of codeine per 100 milliliters or not more than 90 milligrams per dosage unit, with one or more active, nonnarcotic ingredients in recognized therapeutic amounts.

(3) Not more than 300 milligrams of dihydrocodeinone per 100 milliliters or not more than 15 milligrams per dosage unit, with a fourfold or greater quantity of an isoquinoline alkaloid of opium.

(4) Not more than 1.8 grams of dihydrocodeine per 100 milliliters

or not more than 90 milligrams per dosage unit, with one or more active nonnarcotic ingredients in recognized therapeutic amounts.

(5) Not more than 300 milligrams of ethylmorphine per 100 milliliters or not more than 15 milligrams per dosage unit, with one or more active, nonnarcotic ingredients in recognized therapeutic amounts.

(6) Not more than 500 milligrams of opium per 100 milliliters or per 100 grams or not more than 25 milligrams per dosage unit, with one or more active, nonnarcotic ingredients in recognized therapeutic amounts.

(7) Not more than 50 milligrams of morphine per 100 milliliters or per 100 grams, with one or more active, nonnarcotic ingredients in recognized therapeutic amounts.

SEC. 4. Section 11153.5 is added to the Health and Safety Code, to read:

11153.5. (a) No wholesaler or manufacturer, or agent or employee of a wholesaler or manufacturer, shall furnish controlled substances, knowing, or having a conscious disregard for the fact, that the controlled substances are for other than legitimate medical purposes. Factors to be considered in determining whether a wholesaler or manufacturer, or agent or employee of a wholesaler or manufacturer, furnished controlled substances knowing or having a conscious disregard for the fact that the controlled substances are for other than legitimate medical purposes shall include, but not be limited to, the amount of controlled substances furnished, the previous ordering pattern of the customer (including size and frequency of orders), the type and size of the customer, and where and to whom the customer distributes the product.

(b) A violation of this section shall be punishable by imprisonment in the state prison, or in the county jail not exceeding one year, or by a fine not exceeding twenty thousand dollars ($20,000), or by both a fine and imprisonment.

SEC. 5. Section 11209 is added to the Health and Safety Code, to read:

11209. (a) No person shall deliver Schedule II, III, or IV controlled substances to a pharmacy or pharmacy receiving area, nor shall any person receive controlled substances on behalf of a pharmacy unless, at the time of delivery, a pharmacist or authorized receiving personnel signs a receipt showing the type and quantity of the controlled substances received. Any discrepancy between the receipt and the type or quantity of controlled substances actually received shall be reported to the delivering wholesaler or manufacturer by the next business day after delivery to the pharmacy.

(b) The delivery receipt and any record of discrepancy shall be maintained by the wholesaler or manufacturer for a period of three years.

(c) A violation of this section is a misdemeanor.

SEC. 6. No reimbursement is required by this act pursuant to

Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

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

In order to prevent the proliferation of pharmaceuticals into illicit channels, it is necessary that this act take effect immediately.

CHAPTER 385

An act to amend Sections 20022.2, 21022.2, and 21292.2 of, and to add Section 19816.16 to, the Government Code, relating to public employees, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 16, 1986 Filed with Secretary of State July 17, 1986]

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

SECTION 1. Section 19816.16 is added to the Government Code, to read:

19816.16. The department shall implement the State Employee Assistance Program established by Executive Order B96-82 and may enter into one or more contracts to provide problem assessment and referral services. If the department enters into one or more contracts, the Controller shall transfer from the operating budgets of departments participating in the contract to the State Payroll Revolving Fund, an amount sufficient to fund each department's per capita cost. The Controller shall pay the contractor or contractors pursuant to the master payment schedule and monthly certification from the department.

SEC. 2. Section 20022.2 of the Government Code is amended to read:

20022.2. For state employees subject to the State Employer-Employee Relations Act, "compensation" shall not include, in addition to those items specified in Section 20022, all of the following:

(a) One time cash-out of eight hours of educational leave for all eligible employees in bargaining unit 3, except for exempt employees of the special schools of the Department of Education and the California Maritime Academy.

(b) Education differential for employees in bargaining unit 17.

(c) Safety incentive award, cash bonus pilot program, tool

allowance, overtime meal allowance payments, class I and class II driver's license medical examination payments, and health and safety incentive award for employees in bargaining unit 12.

(d) Sustained superior accomplishment awards.

(e) Flight pay, physical fitness incentive pay, housing stipends, and relocation incidental expense allocations for employees in bargaining unit 6.

(f) Physical fitness incentive pay for employees in bargaining unit 7.

This section shall remain in effect only until June 30, 1987, and as of that date is repealed, unless a later enacted statute, which is enacted before June 30, 1987, deletes or extends that date. Subdivision (e) shall, in order to rectify the inadvertent omission of subdivision (e) from the enabling legislation (Chapters 236 and 921 of the Statutes of 1985), have an operative date of July 1, 1985. However, industrial disability leave and nonindustrial disability leave claims which are authorized for payment between July 1, 1985, and the effective date of the amendments to this section adopted in 1986 at the 1985–86 Regular Session of the Legislature shall not be recalculated based on subdivision (e) or subdivision (f). Subdivision (e) shall also not apply to any person who retired between July 1, 1985, and the effective date of the amendments to this section adopted in 1986 at the 1985–86 Regular Session of the Legislature.

SEC. 3. Section 21022.2 of the Government Code is amended to read:

21022.2. "Member" for purposes of Section 21022 also includes state miscellaneous members employed by the Department of Justice who perform the duties now performed in positions with the class title of criminalist I (Class Code 8468), criminalist II (Class Code 8476), criminalist III (Class Code 8478), criminalist IV (Class Code 8477), criminalist V (Class Code 8467), latent print analyst I (Class Code 8460), latent print analyst II (Class Code 8472), or latent print supervisor (Class Code 8473), and state miscellaneous members employed by the Department of California Highway Patrol who perform the duties now performed in positions with the class title of communications operator I (Class Code 1663), communications operator II (Class Code 1664), communications supervisor (Class Code 1662), or communications supervisor II (Class Code 1665).

SEC. 4. Section 21292.2 of the Government Code is amended to read:

21292.2. Upon the industrial disability retirement of a state miscellaneous member within Section 21022.2 who is not subject to Section 21292.6, the disability allowance shall be 50 percent of his or her final compensation plus an annuity purchased with his or her accumulated additional contributions, if any, or, if qualified for service retirement, he or she shall receive his or her service retirement allowance, if such allowance, after deducting the annuity, is greater.

This section shall become operative on December 1, 1983, except

for the classes of latent print analyst I and II and latent print supervisor. For the classes of latent print analyst I and II and latent print supervisor, this section shall become operative on the effective date of Assembly Bill No. 1901 of 1985–86 Regular Session.

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

In order that inadvertent omissions from Chapters 236 and 921 of the Statutes of 1985 may be rectified at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 386

An act to add Section 307.4 to the Welfare and Institutions Code, relating to juvenile court law.

[Approved by Governor July 16, 1986 Filed with Secretary of State July 17, 1986.]

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

SECTION 1. Section 307.4 is added to the Welfare and Institutions Code, to read:

307.4. (a) Any peace officer, probation officer, or social worker who takes into temporary custody pursuant to Sections 305 to 307, inclusive, a minor who comes within the description of Section 300 shall immediately inform, through the most efficient means available, the parent, guardian, or responsible relative, that the minor has been taken into protective custody and that a written statement is available which explains the parent's or guardian's procedural rights and the preliminary stages of the dependency investigation and hearing. The Judicial Council shall, in consultation with the County Welfare Directors Association of California, adopt a form for the written statement, which shall be in simple language and shall be printed and distributed by the county. The written statement shall be made available for distribution through all public schools, probation offices, and appropriate welfare offices. It shall include, but is not limited to, the following information:

(1) The conditions under which the minor will be released, hearings which may be required, and the means whereby further specific information about the minor's case and conditions of confinement may be obtained.

(2) The rights to counsel, privileges against self-incrimination, and rights to appeal possessed by the minor, and his or her parents, guardians, or responsible relative.

(b) If a good faith attempt was made at notification, the failure on the part of the peace officer, probation officer, or social worker to

notify the parent or guardian that the written information required by subdivision (a) is available shall be considered to be due to circumstances beyond the control of the peace officer, probation officer, or social worker, and shall not be construed to permit a new defense to any juvenile or judicial proceeding or to interfere with any rights, procedures, or investigations accorded under any other law.

SEC. 2. Reimbursement to local agencies and school districts for costs mandated by the state pursuant to this act shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code and, if the statewide cost of the claim for reimbursement does not exceed five hundred thousand dollars ($500,000), shall be made from the State Mandates Claims Fund.

CHAPTER 387

An act to add Section 546.5 of the Code of Civil Procedure, to add Section 68500.1 to the Government Code, and to amend Section 190.9 of the Penal Code, relating to courts.

[Approved by Governor July 16, 1986 Filed with Secretary of State July 17, 1986]

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

SECTION 1. Section 546.5 is added to the Code of Civil Procedure, to read:

546.5. There shall be no filing fee for a petition or response relating to a protective order, restraining order, or a permanent injunction restraining violence or threats of violence in an action brought pursuant to this chapter.

SEC. 2. Section 68500.1 is added to the Government Code, to read:

68500.1. The Judicial Council may prescribe the methods, means, and standards for electronic collection of data related to court administration, practice, and procedure.

SEC. 3. Section 190.9 of the Penal Code is amended to read:

190.9. In any case in which a death sentence may be imposed, all proceedings conducted after the effective date of this section in the justice, municipal, and superior courts, including proceedings in chambers, shall be conducted on the record with a court reporter present.

The court shall assign a court reporter who uses computer-aided transcription equipment to report all proceedings under this section.

CHAPTER 388

An act to add Chapter 2.1 (commencing with Section 16110) to Part 1 of Division 7 of the Business and Professions Code, relating to business license tax.

[Approved by Governor July 16, 1986 Filed with Secretary of State July 17, 1986]

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

SECTION 1. Chapter 2.1 (commencing with Section 16110) is added to Part 1 of Division 7 of the Business and Professions Code, to read:

CHAPTER 2.1. BUSINESS LICENSE TAXATION

16110. No city, county, or city and county which levies a business license tax calculated on a basis of gross receipts pursuant to Section 16000 or 16100 or Section 37101 of the Government Code, as the case may be, or pursuant to any other provision of law, shall include the amount of gross receipts or the cost of the business license tax on the business license tax receipt.

16111. As used in this chapter:

(a) "Business license tax receipt" means the receipt or certificate required to be posted or displayed as evidence of a business's payment of the tax.

(b) "City" includes a charter city.

(c) "County" includes a charter county.

16112. The Legislature finds and declares that protecting the privacy of a business's tax payments and gross receipts is a matter of statewide interest and concern.

SEC. 2. Reimbursement to local agencies and school districts for costs mandated by the state pursuant to this act shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code and, if the statewide cost of the claim for reimbursement does not exceed five hundred thousand dollars ($500,000), shall be made from the State Mandates Claims Fund.

CHAPTER 389

An act to amend Section 67094 of the Food and Agricultural Code, relating to avocados.

[Approved by Governor July 16, 1986 Filed with Secretary of State July 17, 1986]

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

SECTION 1. Section 67094 of the Food and Agricultural Code is amended to read:

67094. (a) In order to prevent unfair trade practices which are detrimental to California's avocado industry, including, but not limited to, deception and misinformation, the commission shall collect and disseminate to any and all interested persons, handler F.O.B., market price information based on sales which have occurred.

(b) The identity of each handler reporting information and the information reported under this section shall be kept confidential and not made public under any circumstances. Information that gives industry totals, averages, and other similar data may be disclosed by the commission.

(c) The procedure for the collection and dissemination of the information pursuant to this section shall be approved by the director.

(d) This section shall remain in effect only until January 1, 1992, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 1992, deletes or extends that date.

CHAPTER 390

An act to add Section 798.40 to the Civil Code, relating to mobilehomes.

[Approved by Governor July 16, 1986 Filed with Secretary of State July 17, 1986]

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

SECTION 1. Section 798.40 is added to the Civil Code, to read:

798.40. The management shall not acquire a lien or security interest, other than an interest arising by reason of process issued to enforce a judgment of any court, in a mobilehome located in the park unless it is mutually agreed upon by both the homeowner and management. Any billing and payment upon the obligation shall be kept separate from current rent.

CHAPTER 391

An act to amend Sections 69027, 69062, and 69068 of, and to add Section 69068.5 to, the Food and Agricultural Code, relating to pistachios, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 16, 1986 Filed with Secretary of State July 17, 1986]

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

SECTION 1. Section 69027 of the Food and Agricultural Code is amended to read:

69027. "Producer" or "grower" means any person who is engaged within this state in the business of producing, or causing to be produced for market, pistachios, and who, upon request, provides proof of commodity sale.

SEC. 2. Section 69062 of the Food and Agricultural Code is amended to read·

69062. This chapter, except as necessary to conduct an implementation referendum vote, shall not become operative until the director finds in a referendum conducted by the director that at least 40 percent of the total number of producers from the list established by the director pursuant to Section 69061, participate, and either of the following:

(a) Sixty-five percent or more of the producers who voted in the referendum voted in favor of this chapter, and the producers so voting marketed a majority of the total quantity of pistachios in the preceding season, or in the current season if the harvest and delivery of pistachios to processors is complete, as determined by the commission, by all of the producers who voted in the referendum.

(b) A majority of the producers who voted in the referendum voted in favor of the provisions of this chapter, and the producers so voting marketed 65 percent or more of the total quantity of pistachios in the preceding season, or in the current season if the harvest and delivery of pistachios to processors is complete, as determined by the commission, by all of the producers who voted in the referendum.

SEC. 3. Section 69068 of the Food and Agricultural Code is amended to read:

69068. To be eligible for election to the commission, producer nominees shall present to the director a nomination petition with the signatures of at least six eligible persons, as specified in Section 69068.5, from the district from which the nominee is seeking election.

SEC. 4. Section 69068.5 is added to the Food and Agricultural Code, to read:

69068.5. To be eligible to sign a nomination petition pursuant to Section 69068, a person shall meet either of the following

qualifications:

(a) Be a producer as provided in Section 69027.

(b) Be engaged within this state in the business of growing nonproducing pistachio trees for the purpose of becoming a producer as defined in Section 69027 and who is not otherwise exempt from this chapter pursuant to Section 69082.

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

In order to authorize all current pistachio producers to vote in the referendum on whether or not the California Pistachio Commission should be continued, it is necessary that this act take effect immediately.

CHAPTER 392

An act to amend Sections 74963, 74965, 74969, 74970, and 74971 of, and to repeal Section 74964 of the Government Code, relating to courts.

[Approved by Governor July 16, 1986. Filed with Secretary of State July 17, 1986]

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

SECTION 1. Section 74963 of the Government Code is amended to read:

74963. There shall be one municipal court clerk administrator of the court (subject to the provisions of Section 74968) who shall be appointed by the presiding judge of the municipal court and who shall hold office at the pleasure of the presiding judge. The clerk shall receive a monthly salary at a rate specified in range 25.36.

SEC. 2. Section 74964 of the Government Code is repealed.

SEC. 3. Section 74965 of the Government Code is amended to read:

74965. The clerk (subject to the provisions of Section 74968) with the approval of the presiding judge may appoint:

(a) Three municipal court clerks III, each of whom shall receive a monthly salary at a rate specified in range 13.05.

(b) Twenty-two municipal court clerks II, who shall receive a monthly salary at a rate specified in range 11.30, or twenty-two municipal court clerks I, each of whom shall receive a monthly salary at a rate specified in range 9.58, or twenty-two typist-clerks II, each of whom shall receive a monthly salary at a rate specified in range 9.26, or twenty-two typist-clerk I, each of whom shall receive a monthly salary at a rate specified in range 8.12. The combined total of positions in the municipal court clerk II, municipal court clerk I,

typist-clerk II, and typist-clerk I classifications shall not exceed twenty-two positions, of which one shall be part-time not to exceed 20 hours per week.

(c) Two account clerks III, who shall receive a monthly salary at a rate specified in range 11.10.

(d) Two account clerks II, who shall receive a monthly salary at a rate specified in range 10.23, or two account clerks I, each of whom shall receive a monthly salary at a rate specified in range 9.30. The combined total of positions in the account clerk II and account clerk I classifications shall not exceed two positions.

(e) One administrative clerk II, who shall receive a monthly salary at a rate specified in range 11.12, or one administrative clerk I, who shall receive a monthly salary at a rate specified in range 10.22. The combined total of positions in the administrative clerk II and adminstrative clerk I classifications shall not exceed one position.

(f) One traffic supervisor, who shall receive a monthly salary at a rate specified in range 12.05.

SEC. 4. Section 74969 of the Government Code is amended to read:

74969. Whenever reference to a numbered salary range is made in any section of this article, the schedule of monthly salaries found in the salary resolution of the County of Yolo in effect on January 1, 1986, shall apply.

SEC. 5. Section 74970 of the Government Code is amended to read:

74970. All officers and employees of the Yolo County Municipal Court shall be entitled to the same provisions with respect to retirement, vacations, and other benefits allowed to employees of the county, and be subject to the personnel regulations, memoranda of understanding, management benefit package, and the affirmative action plan of the County of Yolo as they exist on January 1, 1986.

SEC. 6. Section 74971 of the Government Code is amended to read:

74971. The positions enumerated in Sections 74963 to 74966, inclusive, are deemed to be comparable in job and salary level to certain positions in the service of Yolo County. The following table sets forth the court classifications with the comparable county classifications shown opposite thereto:

Clerk classification	County classification
Municipal Court Clerk Administrator	Municipal Court Clerk Administrator
Municipal Court Clerk III	Municipal Court Clerk III
Municipal Court Clerk II	Municipal Court Clerk II
Municipal Court Clerk I	Municipal Court Clerk I
Typist-Clerk II	Typist-Clerk II

Typist-Clerk I	Typist-Clerk I
Account Clerk III	Account Clerk III
Account Clerk II	Account Clerk II
Account Clerk I	Account Clerk I
Administrative Clerk II	Administrative Clerk II
Administrative Clerk I	Administrative Clerk I
Traffic Supervisor	Traffic Supervisor

In the event that any classification, the number of positions prescribed for any classification, or the salary, benefits, personnel regulations, memorandum of understanding or affirmative action plan for any classification which is shown above is modified by the board of supervisors, a commensurate modification shall be made for the comparable court classifications. Any adjustment made pursuant to this section shall be effective the same date as the effective date of the action applicable to the respective and comparable county classifications, but shall remain in effect only until January 1 of the second year following the year in which such change is made, unless subsequently ratified by the Legislature.

SEC. 7. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because this act is in accordance with the request of a local agency or school district which desired legislative authority to carry out the program specified in this act.

CHAPTER 393

An act to amend Section 44663 of the Education Code, relating to certificated employees.

[Approved by Governor July 16, 1986 Filed with Secretary of State July 17, 1986]

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

SECTION 1. Section 44663 of the Education Code is amended to read:

44663. (a) Evaluation and assessment made pursuant to this article shall be reduced to writing and a copy thereof shall be transmitted to the certificated employee not later than 30 days before the last schoolday scheduled on the school calendar adopted by the governing board for the school year in which the evaluation takes place. The certificated employee shall have the right to initiate a written reaction or response to the evaluation. This response shall become a permanent attachment to the employee's personnel file. Before the last schoolday scheduled on the school calendar adopted by the governing board for the school year, a meeting shall be held between the certificated employee and the evaluator to discuss the

evaluation.

(b) In the case of a certificated noninstructional employee, who is employed on a 12-month basis, the evaluation and assessment made pursuant to this article shall be reduced to writing and a copy thereof shall be transmitted to the certificated employee no later than June 30 of the year in which the evaluation and assessment is made. A certificated noninstructional employee, who is employed on a 12-month basis shall have the right to initiate a written reaction or response to the evaluation. This response shall become a permanent attachment to the employee's personnel file. Before July 30 of the year in which the evaluation and assessment takes place, a meeting shall be held between the certificated employee and the evaluator to discuss the evaluation and assessment.

SEC. 2. No reimbursement shall be made from the State Mandates Claims Fund pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code for costs mandated by the state pursuant to this act. It is recognized, however, that a local agency or school district may pursue any remedies to obtain reimbursement available to it under Part 7 (commencing with Section 17500) and any other provisions of law.

CHAPTER 394

An act to amend Section 72252 of the Education Code, relating to community colleges, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 16, 1986. Filed with Secretary of State July 17, 1986.]

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

SECTION 1. It is the Legislature's intent, in enacting this act, to cause the provisions in Section 72252 of the Education Code, as amended by Chapter 46 of the Statutes of 1986, to become operative in time for implementation for the 1986–87 school year.

SEC. 2. Section 72252 of the Education Code is amended to read:

72252. (a) Commencing with the semester, term, or quarter that begins after July 31, 1984, the governing board of each community college district shall charge each student a fee, pursuant to this section.

(b) The fee prescribed by this section shall equal fifty dollars ($50) per semester for students enrolled in classes totaling six or more credit semester units, and five dollars ($5) per unit per semester for students enrolled in classes totaling less than six credit semester units.

The chancellor shall proportionately adjust the amount of the fee for term lengths based upon a quarter system or other alternative

system approved pursuant to Section 78002, and shall also proportionately adjust the amount of the fee for summer sessions, intersessions, and other short-term courses. In making these adjustments, the chancellor may round the per unit fee and the per term or per session fee to the nearest dollar.

(c) For the purposes of computing apportionments to community college districts, 98 percent of the revenues received by districts from charging a fee pursuant to this section or from fees defrayed pursuant to subdivision (f) shall be deemed to be local property tax revenue within the meaning of subdivision (b) of Section 84700.

(d) The chancellor shall reduce apportionments by up to 10 percent to any district that does not collect the fees prescribed by this section.

(e) The fee requirement shall not apply to students enrolled in the noncredit courses designated by Section 84711, or to California State University or University of California students enrolled in remedial classes provided by a community college district on a campus of the University of California or a campus of the California State University, for whom the district claims an attendance apportionment pursuant to an agreement between the district and the California State University or the University of California.

(f) The governing board of a community college district may exempt special part-time students admitted pursuant to Section 76001 from the fee requirement.

(g) The fee requirements of this section shall be defrayed pursuant to Section 19 of Chapter 1 of the 1983–84 Second Extraordinary Session for any student who, at the time of enrollment, is a recipient of benefits under the Aid to Families with Dependent Children program, the Supplemental Security Income/State Supplementary Program, or a general assistance program.

(h) Student financial aid funds appropriated for the purpose of assisting students to pay the fee required by this section may be awarded without regard to the requirements of Chapter 2 (commencing with Section 69500) of Part 42.

(i) The board of governors shall adopt regulations implementing this section as regulations in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

(j) This section shall remain in effect only until January 1, 1988, and as of that date is repealed, unless a later enacted statute, which is chaptered before January 1, 1988, deletes or extends that date.

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

In order to ensure that a streamlined community college student application process be implemented prior to the 1986 fall term, it is necessary that this act take effect immediately.

SEC. 4. If this act is enacted prior to July 1, 1986, Sections 1 and

2 shall become operative on July 1, 1986.

CHAPTER 395

An act to amend Section 58844 of the Food and Agricultural Code, relating to marketing orders.

[Approved by Governor July 16, 1986 Filed with Secretary of State July 17, 1986]

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

SECTION 1. Section 58844 of the Food and Agricultural Code is amended to read:

58844. A member of an advisory board is entitled to actual expenses which are incurred while engaged in performing duties that are authorized by this chapter and, with the approval of the advisory board concerned, may receive compensation not to exceed fifty dollars ($50) per day for each day spent in actual attendance at, or traveling to and from, meetings of the board or on special assignment for the board.

CHAPTER 396

An act to add Section 65940.5 to the Government Code, relating to development projects.

[Approved by Governor July 16, 1986 Filed with Secretary of State July 17, 1986]

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

SECTION 1. Section 65940.5 is added to the Government Code, to read:

65940.5. (a) No list compiled pursuant to Section 65940 shall include a waiver of the time periods prescribed by this chapter within which a state or local agency shall act upon an application for a development project.

(b) No application shall be deemed incomplete for lack of a waiver of time periods prescribed by this chapter within which a state or local government agency shall act upon the application.

CHAPTER 397

An act to amend Sections 74604, 74605, 74606, 74607, 74610, 74955, and 74956 of the Government Code, relating to courts.

[Approved by Governor July 16, 1986 Filed with Secretary of State July 17, 1986.]

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

SECTION 1. Section 74604 of the Government Code is amended to read:

74604. There shall be one clerk of the court known as the court executive officer, who shall be appointed by the presiding judge with the concurrence of a majority of the judges of the court, and shall hold office at the pleasure of the majority of the judges. The monthly compensation to be paid to the court executive officer shall be Range 1988, Step 5, of the San Luis Obispo County Salary Table. In addition to any other duties imposed on such officer by law, the court executive officer shall have the following duties:

(a) To direct and coordinate the nonjudicial activities of the court.

(b) To coordinate the personnel practices in compliance with rules of the court.

(c) To prepare and administer the budget of the court.

(d) To coordinate with other county agencies the acquisition, utilization, maintenance and disposition of county facilities, equipment and supplies necessary for operation of the court.

(e) To initiate studies and prepare appropriate recommendations and reports to the presiding judge relating to the business of the court, including, but not limited to, such matters as standardization of forms, procedures, and classification and compensation of officers and employees.

(f) To collect, compare, and analyze statistical data on a continuing basis concerning the status of judicial and nonjudicial business of the court and to prepare periodic reports and recommendations based on such data.

(g) To serve as liaison for the court with other persons, committees, boards, groups, and associations as directed by the presiding judge.

(h) To provide for and conduct a program of in-service training for the personnel of the municipal court.

SEC. 2. Section 74605 of the Government Code is amended to read:

74605. (a) Notwithstanding Section 72400, the presiding judge of the court may also appoint the court executive officer to serve as traffic referee without additional compensation, provided such officer has been a member of the State Bar of California for at least five years.

(b) Notwithstanding any other provision of law, the court

executive officer may be appointed by the juvenile court judge of the superior court, with the approval of the presiding judge of the municipal court, to serve as a juvenile court hearing officer without additional compensation.

SEC. 3. Section 74606 of the Government Code is amended to read:

74606. The county sheriff shall be ex officio marshal of the court and shall act as such without additional compensation. The sheriff may appoint up to five deputies, or more if the business of the court requires, to be ex officio deputy marshals.

SEC. 4. Section 74607 of the Government Code is amended to read:

74607. The presiding judge may make appointments to the following authorized positions:

Number	Classification	Salary Range
1	Assistant Clerk Administrator	1279
1	Calendar Coordinator	0901
2	Municipal Court Clerk II	0817
2	Municipal Court Clerk I	0763
1	Accounting Technician	0779
2	Account Clerk	0610
1	Accountant I	0967
	or Accountant II	1106
2	Data Entry Operator I	0629
	or Data Entry Operator II	0679
	or Data Entry Operator III	0740
13	Intermediate Typist Clerk	0581
4	Municipal Court Legal Process Clerk I	0695
6	Municipal Court Legal Process Clerk II	0763
4	Municipal Court Legal Process Clerk III	0817
4	Supervising Municipal Court Clerk	0901
1	Administrative Services Officer I	0967

SEC. 5. Section 74610 of the Government Code is amended to read:

74610. (a) The positions enumerated in Sections 74604, 74607, and 74608 are deemed to be comparable in job and salary level to certain positions in the service of San Luis Obispo County. The following table sets forth the court classifications with the comparable county classifications shown opposite thereto:

Court Classification	County Classification
Court Executive Officer	Deputy County Counsel IV (Confidential)
Assistant Clerk Administrator	Deputy County Clerk Recorder
Calendar Coordinator	Supervising Superior Court Clerk
Municipal Court Clerk I, II	Superior Court Clerk I, II
Accounting Technician	Accounting Technician
Account Clerk	Account Clerk
Accountant I, II	Accountant I, II
Data Entry Operator I, II, III	Data Entry Operator I, II, III
Intermediate Typist Clerk	Intermediate Typist Clerk
Municipal Court Legal Process Clerk I, II, III	Legal Process Clerk I, II, III
Supervising Municipal Court Clerk	Supervising Superior Court Clerk
Administrative Services Officer I	Administrative Services Officer I

In the event that the salary for any classification which is shown above is increased by the board of supervisors, a commensurate increase shall be made in the salary for the comparable court classification. Salary adjustments made pursuant to this section shall be effective the same date as the effective date of action of the board of supervisors applicable to the respective and comparable county classifications, but shall remain effective only until January 1 of the second year following the year in which such an adjustment in salary is made.

(b) Upon recommendation of the judges of the court, and with the approval of the board of supervisors, the court may appoint additional employees as it deems necessary for the performance of the duties and exercise of the powers conferred by law upon the court and its members. Any appointment made pursuant to this section shall be on an interim basis and shall expire January 1st of the second calendar year following the year in which the appointment is made unless ratified by the Legislature. This section shall not affect the application of Section 72150.

SEC. 6. Section 74955 of the Government Code is amended to read:

74955. There shall be one clerk who shall be appointed by, and

who shall serve at the pleasure of, a majority of the judges of the municipal court. The clerk shall be paid a biweekly salary at the rate specified in salary range No. D130 in the salary schedule for management and nonclassified personnel. In addition to any other duties imposed by law, the clerk shall, at the direction of the presiding judge, perform any or all of the following duties:

(a) To direct and coordinate the nonjudicial activities of the court.

(b) To prepare and administer the budget of the court.

(c) To coordinate with other appropriate county agencies the acquisition, utilization, maintenance and disposition of county facilities, equipment and supplies necessary for the operation of the court.

(d) To collect, compare, and analyze statistical data on a continuing basis concerning the status of judicial and nonjudicial business of the court and to prepare periodic reports and recommendations based on such data.

(e) To serve as liaison for the court with other persons, committees, boards, groups, and associations as directed by the presiding judge.

SEC. 7. Section 74956 of the Government Code is amended to read:

74956. (a) There shall also be the following court employee positions, whose numbers and salary range on the standard salary schedule of the County of Napa shall be as specified:

Position title	Number of positions	Salary range
Assistant clerk of the court	1	D-042
Supervising legal clerk	2	B-053
Municipal court clerk	3	A-132
Legal clerk II	8	A-097
Legal clerk interpreter	1	A-097
Legal clerk I	3	A-084
Senior account clerk	1	A-118
Office assistant II	1	A-076

(b) Each such person employed on the effective date of this article in the office of the clerk of the municipal court shall receive credit for prior continuous service in office, including service in a court superseded upon the establishment of the municipal court.

SEC. 8. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because this act is in accordance with the request of a local agency or school district which desired legislative authority to carry out the program specified in this act.

CHAPTER 398

An act to amend Sections 36060 and 36447 of the Water Code, relating to California water districts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 16, 1986 Filed with Secretary of State July 17, 1986]

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

SECTION 1. Section 36060 of the Water Code is amended to read:

36060. This article applies only to the Irvine Ranch, Moulton-Niguel, Rancho California, and Santa Margarita Water Districts. "District" as used in this article means the Irvine Ranch Water District, the Moulton-Niguel Water District, the Rancho California Water District, or the Santa Margarita Water District.

SEC. 2. Section 36447 of the Water Code is amended to read:

36447. This chapter shall apply to the Irvine Ranch Water District, the Santa Margarita Water District, and the Moulton-Niguel Water District. As used in this chapter, "district" means the Irvine Ranch Water District, the Santa Margarita Water District, or the Moulton-Niguel Water District.

SEC. 3. The Legislature finds and declares that there are special financial circumstances unique to the Rancho California Water District and the Moulton-Niguel Water District which make Sections 1 and 2 of this act necessary and that a general law cannot be made applicable.

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

(a) Reduced issuance expenses and a more favorable interest rate can be achieved for bonds of the Moulton-Niguel Water District's improvement districts if authority is given to the district to market them as consolidated bonds of the district in lieu of selling them separately on behalf of each respective improvement district. To afford the district the earliest possible opportunity to lower the financial burden of debt service for the ratepayers and taxpayers, it is necessary that this act take effect immediately.

(b) A reduction in debt service cost is achievable for bonds of the improvement districts of the Rancho California Water District if authority is given to the district to utilize a specified test to determine whether that reduction will result from a refunding of bonds bearing interest at a fixed rate with bonds bearing interest at a variable rate. To afford the district the earliest possible opportunity to lower the financial burden of debt service for the rate payers and taxpayers, it is necessary that this act take effect immediately.

CHAPTER 399

An act to add Section 14087.53 to the Welfare and Institutions Code, relating to health care, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 16, 1986 Filed with Secretary of State July 17, 1986]

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

SECTION 1. Section 14087.53 is added to the Welfare and Institutions Code, to read:

14087.53. It is necessary that a special commission be established in Ventura County in order to meet the problems of the delivery of publicly assisted medical care in the county and to demonstrate ways of promoting quality care and cost efficiency. Because there is no general law under which such a commission could be formed, the adoption of a special act and the formation of a special commission is required.

The Board of Supervisors of Ventura County may, by ordinance, establish a commission to negotiate the exclusive contract specified in Section 14087.5 and to arrange for the provision of health care services provided pursuant to this chapter. If the board of supervisors elects to enact this ordinance, all rights, powers, duties, privileges, and immunities vested in a county by this article shall be vested in the county commission. Any reference in this article to "county" shall mean the commission established pursuant to this section.

The enabling ordinance shall specify the membership of the county commission, the qualifications for individual members, the manner of appointment, selection, or removal of commissioners, and how long they shall serve, and any other matters as the board of supervisors deems necessary or convenient for the conduct of the county commission's activities. The commission so established shall be considered an entity separate from the county, shall file the statement required by Section 53051 of the Government Code, and shall have, in addition to the rights, powers, duties, privileges, and immunities previously conferred, the power to acquire, possess, and dispose of real or personal property, as may be necessary for the performance of its functions, to employ personnel and contract for services required to meet its obligations, and to sue or be sued. Any obligations of the commission, statutory, contractual, or otherwise, shall be the obligations solely of the commission and shall not be the obligations of the county or of the state.

Upon creation, the commission may borrow from the county and the county may lend the commission funds, or issue revenue anticipation notes to obtain those funds necessary to commence operations.

In the event the commission may no longer function for the

purposes for which established, at such time as the commission's then existing obligations have been satisfied or the commission's assets have been exhausted, the board of supervisors may by ordinance terminate the commission.

Prior to the termination of the commission, the board of supervisors shall notify the State Department of Health Services of its intent to terminate the commission. The department shall conduct an audit of the commission's records within 30 days of notification to determine the liabilities and assets of the commission. The department shall report its findings to the board within 10 days of completion of the audit. The board shall present a plan to resolve all liabilities of the commission to the department within 30 days upon receipt of these findings.

Any assets of the commission shall be disposed of pursuant to provisions contained in the contract entered into between the state and the commission pursuant to this article.

It is the intent of the Legislature that if such a commission is formed, the County of Ventura shall, with respect to its medical facilities and programs, occupy no greater or lesser status than any other health care provider in negotiating with the commission for contracts to provide health care services.

Notwithstanding the other provisions of this section, upon termination of the commission by the board, the County of Ventura shall be responsible for any liabilities of the commission until superseded by a department approved plan.

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

In order to ensure that Medi-Cal beneficiaries are able to receive essential health care services, it is necessary that this act go into immediate effect.

CHAPTER 400

An act to amend Section 3824 of, and to add Section 3824.5 to, the Public Resources Code, relating to geothermal revenues, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 16, 1986 Filed with Secretary of State July 17, 1986.]

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

SECTION 1. Section 3824 of the Public Resources Code is amended to read:

3824. Subject to the requirements of Section 3824.5, revenues

disbursed to counties of origin pursuant to Section 3821 may be expended for the repair and maintenance of capital assets, including roads, bridges, aviation facilities, buildings, and parking areas. These revenues, including unencumbered revenues already accumulated, may also be expended for the construction of jail facilities.

SEC. 2. Section 3824.5 is added to the Public Resources Code, to read:

3824.5. Revenues disbursed to counties of origin pursuant to Section 3821 may be expended for purposes unrelated to geothermal development only in counties where there is no new geothermal development and substantial planning, maintenance, and environmental mitigation of geothermal development has been achieved.

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

In order to allow a county to expend geothermal revenues allocated to it, including unencumbered accumulated geothermal revenues, for construction of needed jail facilities at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 401

An act to amend Section 52852 of the Education Code, relating to school site councils.

[Approved by Governor July 16, 1986 Filed with Secretary of State July 17, 1986]

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

SECTION 1. Section 52852 of the Education Code is amended to read:

52852. A school site council shall be established at each school which participates in school-based program coordination. The council shall be composed of the principal and representatives of: teachers selected by teachers at the school; other school personnel selected by other school personnel at the school; parents of pupils attending the school selected by such parents; and, in secondary schools, pupils selected by pupils attending the school.

At the elementary level the council shall be constituted to ensure parity between (a) the principal, classroom teachers and other school personnel; and (b) parents or other community members selected by parents.

At the secondary level the council shall be constituted to ensure parity between (a) the principal, classroom teachers and other school personnel; and (b) equal numbers of parents and pupils.

At both the elementary and secondary levels, classroom teachers shall comprise the majority of persons represented under category (a).

Existing schoolwide advisory groups or school support groups may be utilized as the school site council if such groups conform to the provisions of this section.

The Superintendent of Public Instruction shall provide several examples of selection and replacement procedures which may be considered by school site councils.

An employee of a school who is also a parent or guardian of a pupil who attends a school other than the school of the parent's or guardian's employment, is not disqualified by virtue of this employment from serving as a parent representative on the school site council established for the school which his or her child or ward attends.

CHAPTER 402

An act to amend Section 666 of the Penal Code, relating to crimes.

[Approved by Governor July 16, 1986 Filed with Secretary of State July 17, 1986]

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

SECTION 1. Section 666 of the Penal Code is amended to read:

666. Every person who, having been convicted of petit theft, grand theft, auto theft under Section 10851 of the Vehicle Code, burglary, or robbery and having served a term therefor in any penal institution or having been imprisoned therein as a condition of probation for such offense, is subsequently convicted of petit theft, then the person convicted of such subsequent offense is punishable by imprisonment in the county jail not exceeding one year, or in the state prison.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

CHAPTER 403

An act to amend Section 11103 of the Vehicle Code, relating to driving schools.

[Approved by Governor July 16, 1986 Filed with Secretary of State July 17, 1986]

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

SECTION 1. Section 11103 of the Vehicle Code is amended to read:

11103. A driving school owner and an independent instructor licensed under Section 11105.5 shall maintain bodily injury and property damage liability insurance on motor vehicles while being used in driving instruction, insuring the liability of the driving school, the driving instructor, and any person taking instruction in at least the following amounts: one hundred fifty thousand dollars ($150,000) for bodily injury to or death of one person in any one accident and, subject to the limit for one person, three hundred thousand dollars ($300,000) for bodily injury to or death of two or more persons in any one accident, and the amount of fifty thousand dollars ($50,000) for damage to property of others in any one accident.

The owner or instructor shall file evidence of that insurance coverage in the form of a certificate from the insurance carrier with the department, and the certificate shall stipulate that the insurance shall not be canceled except upon 30 days' prior written notice to the department.

CHAPTER 404

An act to amend Sections 21059, 21111, 21283.5, 21288, and 21291 of, and to repeal Section 21059 of, the Food and Agricultural Code, relating to cattle, and making an appropriation therefor.

[Approved by Governor July 16, 1986 Filed with Secretary of State July 17, 1986]

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

SECTION 1. Section 21059 of the Food and Agricultural Code, as amended by Section 5.5 of Chapter 592 of the Statutes of 1983, is amended to read:

21059. Inspection is not required for pasture-to-pasture movement in the following cases:

(a) When the cattle are moved or transported only between points in the same modified point-of-origin inspection area.

(b) When the cattle are moved or transported across a modified

point-of-origin inspection area boundary which bisects the ranch or property of the owner and shipper of the cattle.

(c) When cattle are moved or transported only between points within a full point-of-origin area.

(d) When cattle are moved or transported across a modified point-of-origin inspection area boundary in accordance with regulations adopted by the director which specifically allow the cattle to move under a permit for a distance not to exceed 40 miles from loading point to destination. The director may establish a fee for the permit for a 12-month period. The permit fee shall not exceed two hundred dollars ($200).

(e) When female cattle of the dairy breeds are moved or transported from one grazing or pasture area to another grazing or pasture area and the areas are owned or controlled by the same person. However, this movement shall be accompanied by a certificate of ownership or other proof of ownership document.

The provisions of subdivision (i) of Section 21051 shall take precedence over this section.

This section does not apply to cattle entering a registered feedlot.

SEC. 2. Section 21059 of the Food and Agricultural Code, as amended by Section 6.5 of Chapter 592 of the Statutes of 1983, is repealed.

SEC. 3. Section 21111 of the Food and Agricultural Code is amended to read:

21111. The director shall, by regulation, establish and maintain a modified point-of-origin inspection area whenever the cattlemen owning cattle in the affected area request the action by a two-thirds vote of those cattlemen, who are either property taxpayers, lessees, or residents of the affected area and who are present at a public hearing held at a central location in the area. The director shall hold a statewide hearing within sixty days of the passage of this act, and once a year thereafter, to determine what areas wish to consider establishing a modified point-of-origin inspection area. Based on the testimony presented at these hearings, the director shall conduct local hearings in those areas where significant interest exists. The cost of each local hearing shall be borne by the producers in the area based on a written agreement between producers in the area and the director. Notice of the local hearing shall be publicized by the department at least 30 days prior to the hearing date through local publications and radio; shall be posted at all sales yards, slaughter plants and feedlots in the area; and shall be circulated to all known beef cattle and dairy cattle associations having producer members in the areas. The two-thirds vote of those attending pertains to these local hearings.

SEC. 4. Section 21283.5 of the Food and Agricultural Code is amended to read:

21283.5. Except as otherwise provided in this article, on all private treaty transaction inspections, as defined in Section 20026, regardless of destination, the fee of seventy-five cents ($0.75) shall

be paid at the point of inspection for each animal which is inspected.

SEC. 5. Section 21288 of the Food and Agricultural Code is amended to read:

21288. In a modified point-of-origin inspection area, as provided for in Section 21111, the fee for the inspection of cattle, other than suckling calves which are accompanying their mothers, is sixty cents ($0.60) per head if the cattle are transported out of the area for purposes other than sale or slaughter and no change of ownership is involved.

SEC. 6. Section 21291 of the Food and Agricultural Code is amended to read:

21291. The fees which are provided in Article 9 (commencing with Section 21281) and Article 5 (commencing with Section 21561) may be:

(a) Lowered by the director, based upon a finding and recommendation of the Livestock Identification Advisory Board, whenever they determine that the cost of administering and enforcing the provisions of this division may be maintained with a lower fee.

(b) Increased, by an amount not to exceed 20 percent of the statutory fee, by the director upon the recommendation of the Livestock Identification Advisory Board whenever they determine that the costs of administering and enforcing the provisions of this division require a greater fee. The advisory board must approve any increase in fees by a two-thirds vote of its entire membership.

CHAPTER 405

An act to amend Sections 12713, 12715, 12716, 12721, 12722, 12723, and 12732 of the Business and Professions Code, relating to weights and measures.

[Approved by Governor July 16, 1986 Filed with Secretary of State July 17, 1986]

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

SECTION 1. Section 12713 of the Business and Professions Code is amended to read:

12713. (a) A weighmaster is responsible for ensuring that the weighmaster certificates issued by him or her, or a deputy acting for him or her, are complete and contain all the information required by Sections 12714, 12714.5, and 12715 that is applicable to each transaction.

(b) It is unlawful to issue, or cause to be issued, a weighmaster certificate if the certificate does not contain all the information required by Sections 12714, 12714.5, and 12715 for the commodity weighed, measured, or counted. The issuance of a receipt showing

the weight, measure, or count of fish, mollusks, or crustaceans pursuant to Article 6 (commencing with Section 8010) of Chapter 1 of Part 3 of Division 6 of the Fish and Game Code constitutes the issuance of a weighmaster certificate under this chapter when issued by a person who is a weighmaster pursuant to Section 12700.

SEC. 2. Section 12715 of the Business and Professions Code is amended to read:

12715. Each certificate shall provide for the following information as applicable to the transaction:

(a) The date on which the weight, measure, or count was determined.

(b) The street address or location description and the city or township where the weighing, measuring, or counting occurred.

(c) The complete signature of the weighmaster who determined each weight, measure, or count. The name of a weighmaster may be imprinted electronically on the weighmaster certificate in lieu of a handwritten signature, if the electronically imprinted name is that of the weighmaster who weighed, measured, or counted the commodity or that of another weighmaster pursuant to Section 12712.

(d) The kind of commodity and any other information that may be necessary to identify the product or distinguish it from a similar commodity.

(e) The number of units of the commodity. If not personally determined by a weighmaster, the certificate shall contain the words "driver's count" or "loader's count," as appropriate, after the number of commodity units. The abbreviation "D.C." or "L.C." may be used in lieu of the complete words.

(f) The name of the owner, or his or her agent, and the consignee.

(g) At least one of the following:

(1) The gross weight of the commodity and the vehicle or container, if only the gross weight was determined.

(2) The tare weight of the unladen vehicle or container, if only the tare weight was determined.

(3) The gross, tare, and net weights when a gross and tare are used in determining the net weight.

(4) The true net weight, measure, or count when no gross and tare weights are involved in determining the net quantity of the product.

(h) The tare weights, and the code identification or description of boxes, bins, pallets, or other containers.

(i) The correct identification of the vehicle, combination of vehicles, or other means by which the commodity was delivered. If an equipment number is used to identify a vehicle or combination of vehicles, there shall be traceability to the registered vehicle license numbers through the weighmaster's records.

(j) The unit of measure, such as pounds, tons, gallons, kilograms, or cubic yards, used to identify the quantity.

SEC. 3. Section 12716 of the Business and Professions Code is amended to read:

12716. All weighmasters shall keep and preserve, as records, for a period of four years, all copies of voided certificates, records, and worksheets required by this chapter and true copies of all weighmaster certificates issued. These records shall, at all times, be open for inspection by the director.

SEC. 4. Section 12721 of the Business and Professions Code is amended to read:

12721. Except as otherwise provided in this chapter, the vehicle, container, pallet, or commodity for which the weight, measure, or count is being certified shall actually be weighed, measured, or counted at the time of, and for the purpose of, each certification.

SEC. 5. Section 12722 of the Business and Professions Code is amended to read:

12722. (a) In accordance with this chapter and regulations adopted by the director, any weighmaster may use a tare weight for a vehicle, container, or pallet which has been previously determined by a weighmaster. It is the responsibility of the party for whom the tare weight was established to maintain the tare weight within the variations prescribed by the director

(b) Any weighmaster weighing any vehicle moving earth, stone, rock, sand, gravel, or asphalt paving material may use a predetermined tare weight. The issuance of predetermined tare weights are exempt from the provisions of Subchapter 9 (commencing with Section 4400) of Chapter 9 of Title 4 of the California Administrative Code. It is the responsibility of the party for whom the tare weight was established to maintain the actual weight so that the actual tare weight of the vehicle shall at no time exceed the recorded tare weight.

SEC. 6. Section 12723 of the Business and Professions Code is amended to read:

12723. The director shall adopt regulations for the establishment of vehicle, container, and pallet tares, including, but not limited to, the adoption of conditions of use, certificate requirements, sample size, allowable variations, and procedure to be used to verify common tares.

SEC. 7. Section 12732 of the Business and Professions Code is amended to read:

12732. In addition to the certificate requirements of Sections 12714, 12714.5, and 12715, all of the following information shall appear on weighmaster certificates issued when adjustments are made to the load and the weights are determined at other than the site where the vehicle was loaded:

(a) The gross weight of the commodity and the vehicle at the time of the initial weighing.

(b) The gross weight of the commodity and the vehicle after the adjustment.

(c) The name and address of the seller and of either the purchaser or broker of the commodity as provided by the driver of the vehicle.

SEC. 8. No reimbursement is required by this act pursuant to

Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

CHAPTER 406

An act to amend Sections 70059.7, 74642, 74643, 74644, 74645, and 74647 of the Government Code, relating to courts.

[Approved by Governor July 16, 1986 Filed with Secretary of State July 17, 1986]

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

SECTION 1. Section 70059.7 of the Government Code is amended to read:

70059.7. In Santa Barbara County each regular official reporter shall be paid a biweekly salary which shall be one thousand three hundred fifty dollars and ninety-six cents ($1,350.96) which salary shall include payment for services in reporting all proceedings in the superior court, before the grand jury, and before coroners' inquests.

Reporters pro tempore shall be paid at the per diem rate of one hundred thirty-seven dollars ($137) for the days they are actually on duty under order of the court, and shall receive from the county their necessary traveling and other expenses when necessarily called from other counties. Rates of compensation of regular official reporters and official reporters pro tempore may be adjusted by joint action and approval of the board of supervisors and a majority of the judges of the court, provided, however, that any changes in compensation which are made pursuant to this section shall be on an interim basis and shall remain in effect only until January 1, 1988, unless ratified by statute by the Legislature prior to that date.

In such a county, the fee required by Section 70053 shall be ten dollars ($10).

In addition to any fee otherwise required, in all contested civil trials wherein the services of a court reporter have been requested by any party to the action, a per diem fee shall be charged to the party requesting such service, or, at the discretion of the court, to the parties on a pro rata basis, for each day of court reporting service or portion thereof, equal to the per diem rate established for pro tempore reporters of the court. If the court assesses the reporter's fee on a pro rata basis, the reporter and fee attached thereto may be waived upon the timely stipulation of all parties. Fees in long-cause civil trials shall be posted with the clerk's office no later than 14 days prior to the date set for master calendar. Fees in short-cause civil trials of one day or less, shall be posted with the clerk's office no later

than seven days prior to the date set for the short-cause calendar.

SEC. 2. Section 74642 of the Government Code is amended to read:

74642. Within the Santa Barbara Judicial District there shall be the following officers, attachés, and employees:

Santa Barbara Municipal Court	Salary Range
1 Account Clerk II	310
1 Assistant Clerk-Admin Officer-SB	449
1 Accounting Technician	358
1 Administrative Secretary	352
1 Clerk-Admin Officer-SB	503
10 Court Clerk I	305
12 Court Clerk II	332
10 Court Clerk III	359
3 Court Clerk, Senior	369
1 Calendar Coordinator, Muni Court	395
2 Data Entry Operator II	310
1 Data Entry Operator III	324
3 Official Court Reporter Muni Court	1,350.96
2 Own Recognizance Officer	416
1 Own Recognizance Supervisor	436
1 Traffic Trial Commissioner	2,302.71

Marshal-Santa Barbara Municipal Court	Salary Range
1 Assistant Marshal-SB	469
3 Court Clerk I	305
1 Court Clerk II	332
1 Clerk Principal	363
7 Deputy Marshal	414
1 Marshal-SB	502/1665.76
1 Marshal's Sergeant	449

SEC. 3. Section 74643 of the Government Code is amended to read:

74643. Within the Santa Maria Judicial District there shall be the following officers, attachés, and employees:

Santa Maria Municipal Court	Salary Range
1 Account Clerk II	310
1 Account Clerk III	337
1 Assistant Clerk-Admin Officer-SM	415
1 Chief Deputy Clerk	376
1 Clerk-Admin Officer-SM	462
5 Court Clerk I	305
3 Court Clerk II	332

3	Court Clerk III	359
2	Data Entry Operator II	310
1	Data Entry Operator III	324
1	Official Court Reporter Muni Court	1,350.96
1	Own Recognizance Officer	416
1	Own Recognizance Supervisor	436
1	Clerk Typist III	327

	Marshal - Santa Maria Municipal Court	Salary Range
1	Account Clerk II	310
1	Account Clerk III	337
1	Assistant Marshal-SM	462
1	Clerk Typist II	300
4	Deputy Marshal	414
1	Marshal-SM	487/1545.68
1	Marshal's Sergeant	449
1	Legal Service Specialist	352

SEC. 4. Section 74644 of the Government Code is amended to read:

74644. Within the Lompoc Judicial District there shall be the following officers, attachés, and employees:

	Municipal Court - Lompoc	Salary Range
1	Asst Clerk Admin Officer-Lompoc	399
1	Clerk Admin Officer-Lompoc	440
2	Court Clerk I	305
2	Court Clerk II	332
1	Court Clerk III	359

	Marshal-Lompoc Municipal Court	Salary Range
1	Admin Services Clerk	352
1	Deputy Marshal	414
1	Marshal-Lompoc	474/1448.64

SEC. 5. Section 74645 of the Government Code is amended to read:

74645. (a) It is the purpose of this section to provide compensation for municipal court employees and officers which is comparable to that paid to county employees holding equal or comparable positions in the Santa Barbara classified service as such comparability is determined by the Santa Barbara County Board of Supervisors.

(b) Whenever reference to a numbered salary range is made in any section of this article, the schedule and the salary ordinance of the County of Santa Barbara in effect January 1, 1986, shall apply.

(c) If the board of supervisors adopts a revised salary schedule for county employees, the new schedule shall apply equally to employees of municipal courts and marshals' offices and conversion to the new schedule shall be made for such employees in the same manner on the same date as for the classified service.

(d) Notwithstanding any of the provisions of this article, the salary and benefits of municipal court employees and officers shall be changed in the same manner and at the same rate as a salary and benefit change is effective for other permanent county classified positions. Employees and officers of the municipal court shall be entitled to all employee benefits as they are provided and made applicable to positions within the classified service pursuant to Santa Barbara County ordinances or resolutions, to the extent that the benefits are not contrary to state law.

(e) All matters affecting the administration of salary and benefits, the selection, appointment, and reclassification of such municipal court officers and employees in those positions which they hold which are not specifically determined by the provision of state law shall be governed by the personnel ordinances and resolutions of the Board of Supervisors of the County of Santa Barbara.

(f) Nothing in this article shall be construed to place marshals' or clerks' offices, their employees and attachés under the civil service system of Santa Barbara County but such employees and attachés may be placed under that civil service system by court rule adopted by the judges of their respective courts.

(g) Any changes in compensation made pursuant to this section shall be on an interim basis and shall expire January 1 of the second calendar year following such changes unless ratified by the Legislature.

SEC. 6. Section 74647 of the Government Code is amended to read:

74647. (a) Full-time official reporters appointed by the majority of the judges of the municipal court pursuant to the provisions of Section 72194 and so designated, shall be attachés of the court and shall receive a biweekly salary in accordance with the provisions of Section 70059.7. Such salary shall be paid at the same times and according to the same procedures as salaries of employees of the County of Santa Barbara. During the hours when the court is open for the transaction of judicial business, official reporters shall devote full time to the performance of the duties required of them by law and shall not engage in or solicit to engage in any other employment in their professional capacity.

(b) The judges of the court may appoint as many part-time additional reporters as the business of the court requires. The additional reporters shall be known as official reporters pro tempore, and they shall serve without salary but shall receive, for reporting, fees at the per diem rate fixed by Section 70059.7. Rates of compensation of regular official reporters and official reporters pro tempore may be adjusted by joint action and approval of the board

of supervisors and a majority of the judges of the court, provided, however, that any changes in compensation which are made pursuant to this section shall be on an interim basis and shall remain in effect only until January 1, 1988, unless ratified by statute by the Legislature prior to that date. In criminal cases such fees upon order of the court shall be a charge against the general fund of the county.

(c) An official reporter when not engaged in the performance of duties of the municipal court, may be appointed to serve as such reporter for the Santa Barbara County Grand Jury or in any other court in the County of Santa Barbara.

SEC. 7. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because this act is in accordance with the request of a local agency or school district which desired legislative authority to carry out the program specified in this act.

CHAPTER 407

An act to add Section 1596.795 to the Health and Safety Code, relating to child day care facilities.

[Approved by Governor July 16, 1986 Filed with Secretary of State July 17, 1986]

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

SECTION 1. Section 1596.795 is added to the Health and Safety Code, to read:

1596.795. Notwithstanding any other provision of law, a city or county may enforce its ordinance regulating the smoking of tobacco in a private residence which is licensed as a child day care facility during the hours of operation as a child day care facility with respect to those areas of the facility where children are present.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

CHAPTER 408

An act to amend Section 802 of, to add Section 822 to, and to repeal and add Section 821 of, the Food and Agricultural Code, relating to agriculture.

[Approved by Governor July 16, 1986 Filed with Secretary of State July 17, 1986]

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

SECTION 1. Section 802 of the Food and Agricultural Code is amended to read:

802. The Legislature finds and declares the following:

(a) Agriculture is the number one industry in California, which is the leading agricultural state in the country.

(b) Although California's cultivated land accounts for approximately 3 percent of the country's entire supply of farmland, the state has historically produced about 10 percent of the farm cash receipts in the United States.

(c) California leads the nation in the production of approximately 50 different crops and livestock products.

(d) The diversity of the state's agriculture is truly impressive, for over 250 different commodities are grown here.

(e) Family owned farms produce most of the food and fiber produced by the California agricultural industry.

(f) The economic strength of the California's agricultural industry depends on farmers and ranchers being able to profitably market the commodities and products raised.

(g) A profitable and healthy farming industry must be sustained by a sound natural resource base of soils, water, and air which is developed, conserved, and maintained to ensure sufficient quantities and the highest optimum quality possible.

SEC. 2. Section 821 of the Food and Agricultural Code is repealed.

SEC. 3. Section 821 is added to the Food and Agricultural Code, to read:

821. As part of promoting and protecting the agricultural industry of the state and for the protection of public health, safety, and welfare, the Legislature shall provide for a continuing sound and healthy agriculture in California and shall encourage a productive and profitable agriculture. Major principles of the state's agricultural policy shall be all of the following:

(a) To increase the sale of crops and livestock products produced by farmers, ranchers, and processors of food and fiber in this state.

(b) To enhance the potential for domestic and international marketing of California agricultural products through fostering the creation of value additions to commodities and the development of new consumer products.

(c) To sustain the long-term productivity of the state's farms by conserving and protecting the soil, water, and air which are agriculture's basic resources.

SEC 4. Section 822 is added to the Food and Agricultural Code, to read:

822. The Legislature shall review actions taken in the implementation and furtherance of the state agricultural policy for their impact on the following factors:

(a) Productive agricultural land.

(b) Agricultural water supplies.

(c) Agricultural energy resources.

(d) Pest control, exclusion, detection, and eradication activities.

(e) Agricultural labor.

(f) Agricultural production tools, including, but not limited to, fertilizers and implements of husbandry.

(g) Marketing agricultural products in the domestic and foreign markets.

(h) Agricultural research, education, and agricultural extension programs.

(i) Agricultural transportation and distribution systems.

(j) Agricultural financing.

(k) Family-owned farms.

(*l*) Activities of county agricultural commissioners.

(m) Agricultural exhibits at state-supported fairs.

CHAPTER 409

An act to add Chapter 14 (commencing with Section 7300) to Title 7 of Part 3 of, the Penal Code, relating to correctional facilities, providing the funds necessary therefor through the issuance and sale of bonds of the State of California, providing for the submission of the measure to a vote of the people at an election, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 17, 1986 Filed with Secretary of State July 17, 1986]

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

SECTION 1. Chapter 14 (commencing with Section 7300) is added to Title 7 of Part 3 of the Penal Code, to read:

CHAPTER 14. NEW PRISON CONSTRUCTION BOND ACT OF 1986

7300. This chapter shall be known and may be cited as the New Prison Construction Bond Act of 1986.

7301. The State General Obligation Bond Law is adopted for the purpose of the issuance, sale and repayment of, and otherwise

providing with respect to, the bonds authorized to be issued by this chapter, and the provisions of that law are included in this chapter as though set out in full in this chapter except that, notwithstanding anything in the State General Obligation Bond Law, the maximum maturity of the bonds shall not exceed 20 years from the date of each respective series. The maturity of each respective series shall be calculated from the date of such series.

7302. There is in the State Treasury the 1986 Prison Construction Fund, which fund is hereby created. The proceeds of the sale of bonds authorized by this act shall be deposited in this fund and may be transferred upon request of the Department of Corrections and upon approval of the Director of Finance, to the 1984 Prison Construction Fund established by Section 7202. If the moneys are so transferred, "fund" means the 1984 Prison Construction Fund.

7303. The 1986 Prison Construction Committee is hereby created. The committee shall consist of the Controller, the State Treasurer, and the Director of Finance. That committee shall be the "committee," as that term is used in the State General Obligation Bond Law.

The Department of Corrections is the "board" for the purpose of the State General Obligation Bond Law and this chapter.

7304. The committee is hereby authorized and empowered to create a debt or debts, liability or liabilities, of the State of California, in the aggregate of five hundred million dollars ($500,000,000), in the manner provided in this chapter. That debt or debts, liability or liabilities, shall be created for the purpose of providing the fund to be used for the object and work specified in Section 7306.

7305. The committee may determine whether or not it is necessary or desirable to issue any bonds authorized under this chapter, and if so, the amount of bonds then to be issued and sold. The committee may authorize the Treasurer to sell all or any part of the bonds herein authorized at such time or times as may be fixed by the Treasurer.

7306. The moneys in the fund shall be used for the acquisition, construction, renovation, remodeling, and deferred maintenance of state youth and adult corrections facilities.

7307. (a) All bonds herein authorized, which shall have been duly sold and delivered as herein provided, shall constitute valid and legally binding general obligations of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal and interest thereon.

(b) There shall be collected annually in the same manner and at the same time as other state revenue is collected such a sum, in addition to the ordinary revenues of the state, as shall be required to pay the principal and interest on those bonds, and it is hereby made the duty of all officers charged by law with any duty in regard to the collection of that revenue to do and perform each and every act which shall be necessary to collect that additional sum.

(c) All money deposited in the fund which has been derived from

premium and accrued interest on bonds sold shall be available for transfer to the General Fund as a credit to expenditures for bond interest.

(d) All money deposited in the fund pursuant to any provision of law requiring repayments to the state which are financed by the proceeds of the bonds authorized by this chapter shall be available for transfer to the General Fund. When transferred to the General Fund that money shall be applied as a reimbursement to the General Fund on account of principal and interest on the bonds which has been paid from the General Fund

7308. There is hereby appropriated from the General Fund in the State Treasury for the purpose of this chapter such an amount as will equal the following:

(a) That sum annually as will be necessary to pay the principal of and the interest on the bonds issued and sold pursuant to the provisions of this chapter.

(b) That sum as is necessary to carry out the provisions of Section 7309, which sum is appropriated without regard to fiscal years.

7309. For the purpose of carrying out the provisions of this chapter, the Director of Finance may by executive order authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of the unsold bonds which the committee has by resolution authorized to be sold for the purpose of carrying out this chapter. Any amounts withdrawn shall be deposited in the fund and shall be disbursed by the committee in accordance with this chapter. Any money made available under this section to the board shall be returned by the board to the General Fund from moneys received from the sale of bonds sold for the purpose of carrying out this chapter. Those withdrawals from the General Fund shall be returned to the General Fund with interest at the rate which would otherwise have been earned by those sums in the Pooled Money Investment Fund.

7310. All proceeds from the sale of bonds, except those derived from premiums and accrued interest, shall be available for the purpose provided in Section 7306 but shall not be available for transfer to the General Fund to pay principal and interest on bonds. The money in the fund may be expended only as herein provided.

7311. Money in the fund may only be expended pursuant to appropriations by the Legislature.

SEC. 2. Section 1 of this act shall be submitted to the voters at the November 4, 1986, general election in accordance with the provisions of the Government Code and the Elections Code governing the submission of statewide measures to the voters at a statewide election, and shall become operative upon the adoption of the measure.

SEC. 3. Notwithstanding Section 3525 of the Elections Code, Section 1 of this act shall be submitted to the voters at the November 4, 1986, general election in accordance with the provisions of the Government Code and the Elections Code governing the submission

of statewide measures to the voters at a statewide election and shall become operative upon the adoption of the measure.

SEC. 4. Notwithstanding any other provision of law, all ballots of the election, with respect to the measure set forth in Section 1 of this act, shall have printed thereon and in a square thereof, the words: "New Prison Construction Bond Act of 1986" and in the same square under those words, the following in 8-point type: "This act provides for the acquisition and construction of state youth and adult correctional facilities pursuant to a bond issue of five hundred million dollars ($500,000,000)." Opposite the square there shall be left spaces in which the voters may place a cross in the manner required by law to indicate whether they vote for or against the act.

Where the voting of the election is done by means of voting machines used pursuant to law in the manner that carries out the intent of this section, the use of the voting machines and the expression of the voters' choice by means thereof, are in compliance with this section.

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

The Legislature and the people of California have determined that immediate expansion of the prison system by the swiftest possible means is necessary to relieve the system from current and anticipated overcrowding and to maintain the public safety and security. The provisions included in this bill are essential to permit the state to deal with what is an immediate and current crisis.

CHAPTER 410

An act to add Chapter 10.7 (commencing with Section 13895) to Division 7 of the Water Code, relating to financing a program to provide aid in the planning, design, and construction of facilities for the protection of domestic water supplies through the issuance and sale of bonds of the State of California and by providing for the handling and disposition of those funds, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 17, 1986. Filed with Secretary of State July 17, 1986]

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

SECTION 1. Chapter 10.7 (commencing with Section 13895) is added to Division 7 of the Water Code, to read:

CHAPTER 10.7. CALIFORNIA SAFE DRINKING WATER BOND LAW OF 1986

13895. This chapter shall be known and may be cited as the California Safe Drinking Water Bond Law of 1986.

13895.1. The Legislature hereby finds and declares all of the following:

(a) The State Department of Health Services has discovered toxic chemicals in 126 of California's large public drinking water systems.

(b) Many of the chemical contaminants in California's drinking water supplies are known or suspected of causing cancer, birth defects, and other serious illnesses.

(c) Following the passage of the California Safe Drinking Water Bond Law of 1984, the State Department of Health Services received 1,359 requests for eight hundred twenty-five million dollars ($825,000,000) to improve public drinking water systems. The department has determined that an additional five hundred million dollars ($500,000,000) is needed immediately for public water systems to correct deficiencies which pose a health hazard to enable hundreds of systems to meet mininum health standards.

(d) New monitoring programs for small public water systems are expected to identify many new toxic contamination problems. It is unlikely that these problems can be solved without financial assistance from the State of California.

13895.2. The Legislature further finds and declares that the protection of the health, safety, and welfare of the people of California requires that water supplied for domestic purposes be at all times pure, wholesome, and potable, and that it is in the interest of the people that the State of California provide technical and financial assistance to the end that the people of California are assured a safe, dependable, and potable supply of water for domestic purposes and that water is available in adequate quantity at sufficient pressure for health, cleanliness, and other domestic purposes.

13895.3. The Legislature further finds and declares that it is the intent of the Legislature to provide for the upgrading of domestic water supply systems to assure that all domestic water supplies at least meet minimum domestic water supply standards established under Chapter 7 (commencing with Section 4010) of Part 1 of Division 5 of the Health and Safety Code.

13895.4. The State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code) is adopted for the purpose of the issuance, sale, and repayment of, and otherwise providing with respect to, the bonds authorized to be issued pursuant to this chapter, and the provisions of that law are included in this chapter as though set out in full in this chapter, except that notwithstanding anything in the State General Obligation Bond Law, the bonds authorized hereunder shall bear the rates of interest, or maximum rates, as may, from time to time, be fixed by the Treasurer, with the approval of

the committee, and the maximum maturity of bonds shall not exceed 50 years from the date of the bonds, or from the date of each respective series. The maturity of each respective series shall be calculated from the date of the series.

13895.5. As used in this chapter, and for purposes of this chapter as used in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), the following terms shall have the following meanings:

(a) "Committee" means the Safe Drinking Water Finance Committee created by Section 13895.6.

(b) "Department" means the Department of Water Resources.

(c) "Domestic water system" means a system for the provision to the public of piped water for human consumption, if the system has at least five service connections or regularly supplies water to at least 25 individuals. The term includes any water supply, treatment, storage, and distribution facilities under the control of the operator of the system.

(d) "Fund" means the California Safe Drinking Water Fund.

(e) "Supplier" or "supplier of water" means any person, partnership, corporation, association, or other entity or political subdivision of the state which owns or operates a domestic water system.

(f) "Federal assistance" means funds available, or which may become available, to a supplier either directly or through allocation by the state from the federal government as grants or loans for the improvement of domestic water systems.

(g) "Treatment works" means any devices or systems used in the treatment of water supplies, including necessary lands, which render water supplies pure, wholesome, and potable for domestic purpose.

(h) "Project" means proposed facilities for the construction, improvement, or rehabilitation of the domestic water system, and may include water supply, treatment works, and all or part of a water distribution system, if necessary to carry out the purpose of this chapter.

(i) "Public agency" means any city, county, city and county, district, joint powers authority, or other political subdivision of the state which owns or operates a domestic water system. For purposes of this chapter, Chapter 10.2 (commencing with Section 13810), Chapter 10.5 (commencing with Section 13850), and Chapter 10.6 (commencing with Section 13880), a political subdivision of the state may be any public agency.

13895.6. The Safe Drinking Water Finance Committee is hereby created. The committee shall consist of the Governor, the Treasurer, the Director of Finance, the Director of Water Resources, and the State Director of Health Services or their designated representatives. A majority of the committee may act for the committee.

13895.7. There is in the State Treasury the California Safe Drinking Water Fund, which fund is hereby created.

13895.8. The committee may create a debt or debts, liability or liabilities, of the State of California, in an aggregate amount of one hundred million dollars ($100,000,000) in the manner provided in this chapter. The debt or debts, liability or liabilities, shall be created for the purpose of providing the money to be used for the objects and works specified in Section 13895.9.

13895.9. (a) An aggregate amount of one hundred million dollars ($100,000,000) of the moneys in the fund are hereby continuously appropriated and shall be used for the purposes set forth in this section and Section 13898.

(b) The department may enter into contracts with suppliers having authority to construct, operate, and maintain domestic water systems, for loans to suppliers to aid in the construction of projects which will enable the supplier to meet, at a minimum, safe drinking water standards established pursuant to Chapter 7 (commencing with Section 4010) of Part 1 of Division 5 of the Health and Safety Code.

(c) Any contract entered into pursuant to this section may include provisions as agreed by the parties thereto, and the contract shall include, in substance, all of the following provisions:

(1) An estimate of the reasonable cost of the project.

(2) An agreement by the department to loan to the supplier, during the progress of construction or following completion of construction as agreed by the parties, an amount which equals the portion of construction costs found by the department to be eligible for a state loan.

(3) An agreement by the supplier to repay the state over a period not to exceed 50 years, (A) the amount of the loan, (B) the administrative fee as described in Section 13897, and (C) interest on the principal, which is the amount of the loan plus the administrative fee.

(4) An agreement by the supplier, (A) to proceed expeditiously with, and complete, the project, (B) to commence operation of the project upon completion thereof, and to properly operate and maintain the project in accordance with the applicable provisions of law, (C) to apply for, and make reasonable efforts to secure, federal assistance for the project, (D) to secure approval of the department and of the State Department of Health Services before applying for federal assistance in order to maximize and best utilize the amounts of that assistance available, and (E) to provide for payment of the supplier's share of the cost of the project, if any.

(d) Bond proceeds may be used for a grant program in accordance with this chapter, with grants provided to suppliers that are political subdivisions of the state that are otherwise unable to meet minimum safe drinking water standards established pursuant to Chapter 7 (commencing with Section 4010) of Part 1 of Division 5 of the Health and Safety Code. The total amount of grants made pursuant to this chapter shall not exceed twenty-five million dollars ($25,000,000).

(e) Notwithstanding any other provision, the proceeds of any bonds authorized to be issued under the California Safe Drinking Water Bond Law of 1976 (Chapter 10.5 (commencing with Section 13850)), and the California Safe Drinking Water Bond Law of 1984 (Chapter 10.2 (commencing with Section 13810)) which are unissued and uncommitted on the effective date of this chapter, shall be used for loans and grants to suppliers in accordance with the terms, conditions, and purposes of this chapter. Loans made after November 6, 1984, pursuant to Chapter 10.2 (commencing with Section 13810) shall carry an interest rate calculated as prescribed in Section 13897.3.

13896. (a) The department may make state grants to suppliers that are political subdivisions of the state, from moneys in the fund available for that purpose pursuant to subdivision (d) of Section 13895.9, to aid in the construction of projects which will enable the public agency to meet, at a minimum, safe drinking water standards established pursuant to Chapter 7 (commencing with Section 4010) of Part 1 of Division 5 of the Health and Safety Code. A grant may be made by the department only upon the specific approval of the Legislature, by an act enacted after the receipt of a report filed pursuant to Section 13896.2

(b) Any contract for a grant entered into pursuant to this chapter may include provisions as agreed by the parties thereto, and the contract shall include, in substance, all of the following provisions:

(1) An estimate of the reasonable cost of the project.

(2) An agreement by the department to grant to the public agency, during the progress of construction or following completion of construction as agreed by the parties, an amount which equals the portion of construction costs found by the department to be eligible for a state grant.

(3) An agreement by the public agency, (A) to proceed expeditiously with, and complete, the project, (B) to commence operation of the project upon completion thereof, and to properly operate and maintain the project in accordance with the applicable provisions of law, (C) to apply for, and make reasonable efforts to secure, federal assistance for the project, (D) to secure approval of the department and of the State Department of Health Services before applying for federal assistance in order to maximize and best utilize the amounts of that assistance available, and (E) to provide for payment of the public agency's share of the cost of the project, if any.

13896.1. Applications for grants under this chapter shall be made to the department in the form and with the supporting material as prescribed by the department.

13896.2. The department shall prepare a report on each grant application pursuant to this chapter. The report shall be filed with the Legislature, if it is in session or, if it is not in session, with the Joint Rules Committee. The department shall be authorized to make the grant only upon the specific approval of the grant by the Legislature,

by an act enacted after the receipt of the report from the department.

13896.3. (a) Loans and grants may be made only for projects for domestic water systems. The State Department of Health Services may make reasonable allowance for future water supply needs and may provide for additional capacity when excessive costs would be incurred by later enlargement. The loans and grants may be made for all, or any part, of the cost of constructing, improving, or rehabilitating any system when, in the judgment of the State Department of Health Services, improvement or rehabilitation is necessary to provide pure, wholesome, and potable water in adequate quantity at sufficient pressure for health, cleanliness, and other domestic purposes. The State Department of Health Services shall determine and notify applicants of eligibility of components requested to be included in the proposed project. The department shall use this determination as a basis for disbursing funds. No single public agency shall receive grants pursuant to this chapter totaling more than four hundred thousand dollars ($400,000). Loans may be made to provide for the purchase of a water system or the purchase of watershed lands. No loan to an individual supplier shall exceed the sum of five million dollars ($5,000,000), unless the Legislature by an act raises the limit specified in this section.

(b) Upon receipt of an application for a grant or loan pursuant to this chapter, the department shall propose to the applicant improvements to the applicant's water development, distribution, and utilization system which will conserve water in a cost-effective manner. These improvements may include, but need not be limited to, leak detection and repair programs, valve repair and replacement, meter calibration and replacement, physical improvements to achieve corrosion control, distribution and installation of water conservation devices and fixtures, and other capital improvements which can be demonstrated to conserve water in a cost-effective manner. The department and applicant may agree to include these capital improvements in the grant or loan. Failure by the applicant to include water conservation capital improvements in the grant or loan application shall not be sufficient cause for the department to refuse to make the grant or loan.

13896.4. An application for a grant pursuant to this chapter shall not be approved by the department, unless the department determines that the public agency is otherwise unable to meet minimum safe drinking water standards established pursuant to Chapter 7 (commencing with Section 4010) of Part 1 of Division 5 of the Health and Safety Code.

No grant shall be made by the department except upon approval by the State Department of Health Services of project plans submitted by the applicant and upon written approval by the State Department of Health Services that the proposed project is consistent with Chapter 7 (commencing with Section 4010) of Part 1 of Division 5 of the Health and Safety Code.

13896.5. First priority for grants shall be granted to public agencies having immediate health related problems, as certified by the State Department of Health Services. Additional high priority shall be granted to projects to correct immediate problems, as opposed to grants for construction of projects to meet future growth needs.

13896.6. First priority for loans shall be given to suppliers with the most critical public health problems. Priority for loans shall also be given to suppliers which have a lesser capability to reasonably finance system improvements.

13896.7. Preliminary design work, including a cost estimate for the project, shall be completed before a loan or grant is awarded. Operation and maintenance costs shall be the responsibility of the supplier and may not be considered as part of the project cost. Costs for planning and preliminary engineering studies may be reimbursed following the receipt of a loan or grant, subject to approval by the department and the State Department of Health Services.

13896.8. No application for a grant may be made pursuant to this chapter unless the public agency has also applied for a loan pursuant to this chapter. A public agency shall be eligible for a grant only to the extent that the department finds that the agency is found unable to repay the full costs of a loan.

If the department has determined that the applicant is unable to repay the full costs of a loan, the applicant may also file for a grant. Upon receipt of a grant application, the department shall determine that portion of the full costs that the applicant is capable of repaying. Grant funds shall only be provided for that portion that the applicant is not capable of repaying.

13896.9. Grant funds shall be expended by the public agency within three years of the making of the grant. No grant funds may be expended by the public agency unless the public agency is able to demonstrate to the department, within one year of the making of the grant, supported by an acceptable bid, that the amount to be expended for the project will be within 20 percent of the public agency's cost estimate for the project.

13897. For the purpose of administering this chapter, the total expenditures of the department and the State Department of Health Services may not exceed 5 percent of the total amount of the bonds authorized to be issued under this chapter. The department shall establish a reasonable schedule of administrative fees for loans, which fees shall be paid by the supplier pursuant to Section 13895.9, to reimburse the state for the costs of state administration of this chapter.

Charges incurred by the Attorney General in protecting the state's interests in the use and repayment of grant and loan funds under this chapter shall be paid from the proceeds of bond sales under this chapter. These charges shall not be paid from funds allocated for administrative purposes, but shall be treated as a program expense

not to exceed 1.5 percent of the total amount of the bonds authorized to be sold under this chapter.

13897.1. As much of the moneys in the fund as may be necessary shall be used to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code.

13897.2. Repayment of all or part of the principal, which is the loan plus the administrative fee, may be deferred during a development period not exceeding 10 years within the maximum 50-year repayment period, when, in the department's judgment, the development period is justified under the circumstances. Interest on the principal shall not be deferred. Repayment of principal which is deferred during a development period may, at the option of the supplier, be paid in annual installments during the remainder of the loan repayment period.

13897.3. The department shall annually establish the interest rate for loans made pursuant to this chapter at 50 percent of the average interest rate, computed by the true interest cost method, paid by the state on general obligation bonds for the prior calendar year. All loans made pursuant to this chapter shall carry the established interest rate for the calendar year in which the funds are committed to the loan, as of the date of the letter of commitment from the department, and shall remain at that interest rate for the duration of the loan.

13897.4. (a) The department, after public notice and hearing and with the concurrence of the State Department of Health Services, shall adopt rules and regulations necessary to carry out the purposes of this chapter. The regulations shall include, but not be limited to, criteria and procedures for establishing the eligibility of a supplier.

(b) The department shall adopt rules and regulations that, in its judgment, will most effectively carry out this chapter in the public interest, to the end that the people of California are most efficiently and most economically provided supplies of pure, wholesome, and potable domestic water. The rules and regulations may provide for the denial of funds when the purposes of this chapter may most economically and efficiently be attained by means other than the construction of the proposed project.

(c) Notwithstanding subdivision (a) or any other provision of law, existing rules and regulations adopted by the department pursuant to the California Safe Drinking Water Bond Law of 1984 (Chapter 10.2 (commencing with Section 13810)) which are in effect on the effective date of this chapter, may, at the option of the department, be utilized upon voter approval of this chapter for purposes of implementing this chapter. The department, with the concurrence of the State Department of Health Services, may subsequently revise those rules and regulations pursuant to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code as necessary to implement provisions of this

chapter which differ from Chapter 10.2 (commencing with Section 13810) or for any other reason to carry out the purposes of this chapter.

13897.5. The State Department of Health Services shall notify suppliers that may be eligible for loans pursuant to this chapter of (a) the purposes of this chapter and (b) the rules and regulations adopted by the department.

13897.6. (a) The State Department of Health Services, after public notice and hearing and with the advice of the department, shall, from time to time, establish a priority list of suppliers to be considered for financing.

(b) Notwithstanding subdivision (a) or any other provision of law, the priority list established by the State Department of Health Services pursuant to the California Safe Drinking Water Bond Law of 1984 (Chapter 10.2 (commencing with Section 13810)) in effect on the effective date of this chapter may, at the option of the State Department of Health Services, be utilized upon voter approval of this chapter until the State Department of Health Services adopts a new priority list.

13897.8. Not more than twenty-five million dollars ($25,000,000) of state loans for projects shall be authorized by the department in a single calendar quarter. No contract shall be approved by the department, unless the department finds that the supplier has the capacity to repay the loan amounts specified in the contract.

At the request of the department, the Public Utilities Commission shall furnish comments concerning the ability of suppliers subject to its jurisdiction to finance the project from other sources and the ability to repay the loan.

13897.9. All bonds authorized, which have been duly sold and delivered pursuant to this chapter, shall constitute valid and legally binding general obligations of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal and interest thereon.

There shall be collected annually in the same manner, and at the same time as other state revenue is collected, a sum, in addition to the ordinary revenues of the state, that is required to pay the principal and interest on the bonds, and it is hereby made the duty of all officers charged by law with any duty in regard to the collection of that revenue, to do and perform each and every act which shall be necessary to collect that additional sum.

All money deposited in the fund which has been derived from premium on bonds sold is available for transfer to the General Fund as a credit to expenditures for bond interest.

13898. (a) All money repaid to the state pursuant to any contract executed under Section 13895.9 shall be deposited in the General Fund and, when so deposited, shall be applied as a reimbursement to the General Fund on account of principal and interest on bonds issued pursuant to this chapter which has been paid from the General Fund.

(b) The department may enter into contracts with suppliers of water for grants or short-term loans for the purpose of investigating and identifying alternatives for system improvements. Any loans or grants pursuant to this section shall be made from the fund. No supplier may receive for a single investigation more than twenty-five thousand dollars ($25,000) in the form of a loan or grant pursuant to this section. The State Department of Health Services shall review all proposed investigations and shall determine if they are necessary and appropriate.

(c) Any contract entered into pursuant to this section shall include terms and conditions consistent with this chapter, and any loan contract shall provide for a repayment period not to exceed 24 months.

(d) Not more than three million dollars ($3,000,000) may be expended for the purposes of this section, of which not more than one million dollars ($1,000,000) may be used for grants to public agencies. A loan or grant made for the purposes of this section shall not decrease the maximum amount of any other loan or grant which may be made under this chapter, Chapter 10.2 (commencing with Section 13810), Chapter 10.5 (commencing with Section 13850), or Chapter 10.6 (commencing with Section 13880).

13898.1. There is hereby appropriated from the General Fund in the State Treasury, for the purpose of this chapter, an amount equal to the sum of the following:

(a) The amount annually necessary to pay the principal of, and the interest on, the bonds issued and sold pursuant to this chapter, as the principal and interest become due and payable.

(b) The amount necessary to carry out Section 13898.2, which amount is appropriated without regard to fiscal years.

13898.2. For the purpose of carrying out this chapter, the Director of Finance may, by executive order, authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of the unsold bonds which the committee has, by resolution, authorized to be sold for the purpose of carrying out this chapter.

Any amounts withdrawn shall be deposited in the fund and shall be disbursed by the department in accordance with this chapter. Any money made available under this section to the department shall be returned by the department to the General Fund plus interest the money would have earned in the Pooled Money Investment Account from money received from the first sale of bonds sold for the purpose of carrying out this chapter subsequent to the withdrawal.

13898.3. Upon request of the department, supported by a statement of the proposed arrangements to be made pursuant to Section 13895.9 for the purposes stated therein, the committee shall determine whether or not it is necessary or desirable to issue any bonds authorized under this chapter in order to make those arrangements, and, if so, the amount of bonds then to be issued and sold. Successive issues of bonds may be authorized and sold to make

those arrangements progressively, and it shall not be necessary that all of the bonds authorized to be issued shall be sold at any one time.

13898.4. The committee may authorize the Treasurer to sell all or any part of the bonds authorized at the time or times as fixed by the Treasurer.

13898.5. All proceeds from the sale of bonds, except those derived from premiums and accrued interest, are available for the purpose provided in Section 13898.5, but are not available for transfer to the General Fund to pay principal and interest on bonds. The money in the fund may be expended only as provided in this chapter.

SEC. 2. Section 1 of this act shall take effect upon the adoption by the voters of the California Safe Drinking Water Bond Law of 1986, as set forth in Section 1 of this act.

SEC. 3. Notwithstanding Section 3525 of the Elections Code, if this act is passed by the Legislature and presented to the Governor on or before July 11, 1986, Section 1 of this act shall be submitted to the voters at the November 4, 1986, general election in substantial accordance with provisions of the Government Code and the Elections Code governing submission of statewide measures to the voters at a statewide election.

If this act is not passed by the Legislature and presented to the Governor on or before July 11, 1986, Section 1 of this act shall be submitted to the voters at the next statewide election occurring at least 131 days after the effective date of this act.

SEC. 4. Notwithstanding any other provision of law, all ballots of the election shall have printed thereon and in a square thereof, the words: "California Safe Drinking Water Bond Law of 1986," and in the same square under those words, the following in 8-point type: "This act provides for a bond issue of one hundred million dollars ($100,000,000) to provide funds for improvement of domestic water systems to meet minimum drinking water standards." Opposite the square there shall be left spaces in which the voters may place a cross in the manner required by law to indicate whether they vote for or against the act.

Where the voting in the election is done by means of voting machines used pursuant to law in a manner to carry out the intent of this section, the use of the voting machines and the expression of the voters' choice by means thereof are in compliance with this section.

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

In order for this act to be submitted to the voters at the 1986 general election so as to insure that water supplied for domestic purposes is pure, wholesome, and potable at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 411

An act to repeal Section 25116.5 of the Health and Safety Code, relating to hazardous waste.

[Approved by Governor July 17, 1986 Filed with Secretary of State July 17, 1986]

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

SECTION 1. Section 25116.5 of the Health and Safety Code is repealed.

CHAPTER 412

An act to amend Section 2982.8 of the Civil Code, relating to civil law.

[Approved by Governor July 17, 1986 Filed with Secretary of State July 17, 1986]

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

SECTION 1. Section 2982.8 of the Civil Code is amended to read:

2982.8. (a) If a buyer is obligated under the terms of the conditional sale contract to maintain insurance on the vehicle and subsequent to the execution of the contract the buyer either fails to maintain or requests the holder to procure the insurance, any amounts advanced by the holder to procure the insurance may be the subject of finance charges from the date of advance as provided in subdivision (d). These amounts shall be secured as provided in the contract and permitted by Section 2984.2 if the holder notifies the buyer in writing of his or her option to repay those amounts in any one of the following ways:

(1) Full payment within 10 days from the date of giving or mailing the notice.

(2) Full amortization during the term of the insurance.

(3) If offered by the holder, full amortization after the term of the conditional sale contract, to be payable in installments which do not exceed the average payment allocable to a monthly period under the contract.

(4) If offered by the holder, any other amortization plan.

If the buyer neither pays in full the amounts advanced nor notifies the holder in writing of his or her choice regarding amortization options before the expiration of 10 days from the date of giving or mailing the notice by the holder, the holder may amortize the amounts advanced on a secured basis pursuant to paragraph (2) or, if offered by the holder as an option to the buyer, paragraph (3).

(b) The written notification described in subdivision (a) shall also set forth the amounts advanced by the holder and, with respect to each amortization plan the amount of the additional finance charge, the sum of the amounts advanced and the additional finance charge, the number of installments required, the amount of each installment and the date for payment of the installments.

In addition, the notice shall contain a statement in contrasting red print in at least 8-point bold type, which reads as follows:

"WARNING—IT IS YOUR RESPONSIBILITY UNDER CALIFORNIA LAW TO OBTAIN LIABILITY INSURANCE OR BE SUBJECT TO PENALTIES FOR VIOLATING SECTION 16020 OF THE VEHICLE CODE, WHICH MAY INCLUDE LOSS OF LICENSE OR A FINE. THE INSURANCE ACQUIRED BY THE LIENHOLDER DOES NOT PROVIDE LIABILITY COVERAGE AND DOES NOT SATISFY YOUR RESPONSIBILITY UNDER CALIFORNIA LAW."

(c) If subsequent to the execution of the contract the holder advances amounts for repairs to or preservation of the motor vehicle or preservation of the holder's security interest therein and such advances are occasioned by the buyer's default under the contract, such advances may be the subject of finance charges from the date of advance as provided in subdivision (d) and shall be secured as provided in the contract and permitted by Section 2984.2.

(d) The maximum rate of finance charge which may be imposed on amounts advanced by the holder subsequent to the execution of the contract for insurance, repairs to or preservation of the motor vehicle, or preservation of the holder's security interest therein, shall not exceed the annual percentage rate disclosed pursuant to Section 2982.

CHAPTER 413

An act to amend, repeal, and add Section 4799.13 of the Public Resources Code, relating to forest resources.

[Approved by Governor July 17, 1986 Filed with Secretary of State July 17, 1986]

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

SECTION 1. Section 4799.13 of the Public Resources Code is amended to read:

4799.13. (a) There is hereby created in the State Treasury, the Forest Resources Improvement Fund. The moneys in the Forest Resources Improvement Fund may be expended, when appropriated therefor by the Legislature, for the purposes of this

part, and for the purposes of reimbursing the General Fund for the cost of operation of the state forests administered by the director pursuant to Section 4646.

(b) The Forest Resources Improvement Fund shall be the depository for all revenue derived from the repayment of loans made or interest received pursuant to Chapter 1 (commencing with Section 4790) of this part, and the receipts from the sale of forest products, as defined in Section 4638, from the state forests. Ten percent of the net state forest receipts from the sale of forest products, after the General Fund is reimbursed for costs of operating the state forests, shall be available, when appropriated therefor by the Legislature, for urban forestry programs pursuant to Chapter 2 (commencing with Section 4799.06) of this part.

(c) The director is authorized to accept grants and donations of equipment, seedlings, labor, materials, or funds from any source for the purpose of supporting or facilitating activities undertaken pursuant to the provisions of this part. Any funds received shall be deposited by the director in the Forest Resources Improvement Fund.

(d) Proposed expenditures by the department of moneys from the Forest Resources Improvement Fund shall be included as separate items in the Budget Bill for each fiscal year for consideration by the Legislature. Such appropriations shall be subject to all of the limitations contained in the Budget Bill and to all other fiscal procedures prescribed by law with respect to the expenditure of state funds.

(e) This section shall remain in effect only until July 1, 1987, and as of that date is repealed, unless a later enacted statute, which is enacted before July 1, 1987, deletes or extends that date.

SEC. 2. Section 4799.13 is added to the Public Resources Code, to read:

4799.13. (a) There is hereby created in the State Treasury, the Forest Resources Improvement Fund. The moneys in the Forest Resources Improvement Fund may only be expended, when appropriated therefor by the Legislature, for the following purposes:

(1) Forest improvement programs and related administrative costs pursuant to Chapter 1 (commencing with Section 4790).

(2) Urban forestry programs and related administrative costs pursuant to Chapter 2 (commencing with Section 4799.06).

(3) Wood energy programs pursuant to Chapter 4 (commencing with Section 4799.14).

(4) Reimbursing the General Fund for the cost of operation of the state forests administered by the director pursuant to Section 4646.

(b) No moneys in the Forest Resources Improvement Fund may be used for the costs of administering the Z'berg-Nejedly Forest Practice Act of 1973 (Chapter 8 (commencing with Section 4511), Part 2).

(c) The Forest Resources Improvement Fund shall be the depository for all revenue derived from the repayment of loans made

or interest received pursuant to Chapter 1 (commencing with Section 4790) of this part, and the receipts from the sale of forest products, as defined in Section 4638, from the state forests. Ten percent of the net state forest receipts from the sale of forest products, after the General Fund is reimbursed for costs of operating the state forests, is available, when appropriated therefor by the Legislature, for urban forestry programs pursuant to Chapter 2 (commencing with Section 4799.06) of this part.

(d) The director may accept grants and donations of equipment, seedlings, labor, materials, or funds from any source for the purpose of supporting or facilitating activities undertaken pursuant to this part. Any funds received shall be deposited by the director in the Forest Resources Improvement Fund.

(e) Each proposed expenditure by the department of moneys from the Forest Resources Improvement Fund shall be included as a separate item and scheduled individually in the Budget Bill for each fiscal year for consideration by the Legislature. These appropriations shall be subject to all of the limitations contained in the Budget Bill and to all other fiscal procedures prescribed by law with respect to the expenditure of state funds.

(f) This section shall become operative on July 1, 1987.

CHAPTER 414

An act to add Sections 1001.8 and 1001.9 to the Military and Veterans Code, relating to veterans' farm and home purchases, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 17, 1986. Filed with Secretary of State July 17, 1986]

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

SECTION 1. Section 1001.8 is added to the Military and Veterans Code, to read:

1001.8. In addition to the debentures authorized by Sections 1001.1 and 1001.7, the department may issue additional debentures, not to exceed five hundred million dollars ($500,000,000) in the aggregate, at the times and in the amounts that the department, with the approval of the Veterans' Debenture Finance Committee, may determine. The issuance of these debentures shall be authorized by a resolution of issuance adopted as provided in this chapter.

SEC. 2. Section 1001.9 is added to the Military and Veterans Code, to read:

1001.9. In addition to the debentures authorized by Sections 1001.1, 1001.7, and 1001.8, the department may issue additional debentures at any time pursuant to this chapter if the total amount

of debentures outstanding at any time does not exceed the total amount of debentures authorized by this article.

Debentures which are refunded pursuant to Article 5 (commencing with Section 1004.1), or for which money or securities sufficient to pay the principal, interest, and any redemption premium thereon have been deposited in any reserve fund or in trust, are not debentures which are outstanding within the meaning of this section.

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

In order to authorize the issuance of the revenue debentures provided for in this act, in support of the Veterans' Farm and Home Purchase Act of 1974, as quickly as possible thereby making available urgently needed funds, it is necessary that this act become effective immediately.

CHAPTER 415

An act to amend Sections 10556, 10950, 10952.5, 10953, 10954, 10957, 10958, 10959, 10960, 10961, and 12700 of, to add Sections 10953.5, 10958.1, 10966, and 10967 to, and to repeal Section 15060 of, the Welfare and Institutions Code, relating to public social services, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 17, 1986 Filed with Secretary of State July 17, 1986]

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

SECTION 1. Section 10556 of the Welfare and Institutions Code is amended to read:

10556. The chief administrative law judge of the department shall be an attorney, and shall otherwise meet such qualifications as may be prescribed by the State Personnel Board. The director shall appoint the chief administrative law judge. The office of the chief administrative law judge shall not be made a part of any other division, office, or subdivision of the department. The chief administrative law judge shall be directly responsible to the director.

SEC. 2. Section 10950 of the Welfare and Institutions Code is amended to read:

10950. If any applicant for or recipient of public social services is dissatisfied with any action of the county department relating to his application for or receipt of public social services, if his application is not acted upon with reasonable promptness, or if any person who desires to apply for public social services is refused the opportunity

to submit a signed application therefor, and is dissatisfied with such refusal, he shall, in person or through an authorized representative, without the necessity of filing a claim with the board of supervisors, upon filing a request with the State Department of Social Services or the State Department of Health Services, whichever department administers the public social service, be accorded an opportunity for a fair hearing.

Priority in setting and deciding cases shall be given in those cases in which aid is not being provided pending the outcome of the hearing. This priority shall not be construed to permit or excuse the failure to render decisions within the time allowed under federal and state law.

Notwithstanding any other provision of this code, there is no right to a state hearing when either (1) state or federal law requires automatic grant adjustments for classes of recipients unless the reason for an individual request is incorrect grant computation, or (2) the sole issue is a federal or state law requiring an automatic change in services or medical assistance which adversely affects some or all recipients.

For the purposes of administering health care services and medical assistance, the State Director of Health Services shall have those powers and duties conferred on the Director of Social Services by this chapter to conduct fair hearings in order to secure approval of a state plan under the provisions of applicable federal law.

The State Director of Health Services may contract with the State Department of Social Services for the provisions of fair hearings in accordance with this chapter

As used in this chapter, "recipient" means an applicant for or recipient of public social services except aid exclusively financed by county funds or aid under Chapter 3 (commencing with Section 12000) of Part 3 of this division, or those activities conducted under Chapter 6 (commencing with Section 18350) of Part 6.

SEC. 2.5. Section 10952.5 of the Welfare and Institutions Code is amended to read:

10952.5. If regulations require a public or private agency to write a position statement concerning the issues in question in a fair hearing, or if the public or private agency chooses to develop such a statement, not less than two working days prior to the date of a hearing provided for pursuant to this chapter, the public or private agency shall make available to the applicant for, or recipient of, public social services requesting a fair hearing, a copy of the public or private agency's position statement on the forthcoming hearing. The public or private agency shall make the copy available to the applicant or recipient at the county welfare department. A public or private agency shall be required to comply with the provisions of this section only if the public or private agency has received a 10-day prior notice of the date and time of the scheduled hearing.

If the public or private agency does not make the position statement available not less than two working days prior to the

hearing or if the public or private agency decides to modify the position statement, the hearing shall be postponed upon the request of the applicant or recipient, provided an applicant or recipient agrees to waive the right to obtain a decision on the hearing within the deadline that would otherwise be applicable under regulations. A postponement for reason of the public or private agency not making the position statement available within not less than two working days shall be deemed a postponement for good cause for purposes of determining eligibility to any applicable benefits pending disposition of the hearing.

For purposes of this section "public or private agency" shall not include the State Department of Health Services.

SEC. 3. Section 10953 of the Welfare and Institutions Code is amended to read:

10953. A hearing under this chapter shall be conducted by administrative law judges employed by the department, unless the director orders that it shall be conducted by himself or herself. However, the director may contract with the Office of Administrative Hearings to conduct hearings.

Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code shall not apply to any hearing conducted under this chapter.

SEC. 4. Section 10953.5 is added to the Welfare and Institutions Code, to read:

10953.5. (a) The director has authority to appoint the department's administrative law judges as provided in Section 10555.

(b) Each administrative law judge shall have been admitted to practice law in this state and shall possess any other qualifications prescribed by the State Personnel Board. All persons in the office of the chief referee employed as hearing officers by the department prior to the effective date of this section shall be deemed to be administrative law judges.

SEC. 5. Section 10954 of the Welfare and Institutions Code is amended to read:

10954. The director or administrative law judge conducting the hearing, shall have all of the powers and authority conferred upon the head of a department in Article 2 (commencing with Section 11180) of Chapter 2 of Part 1 of Division 3 of Title 2 of the Government Code.

SEC. 6. Section 10957 of the Welfare and Institutions Code is amended to read:

10957. The person conducting the hearing, upon good cause shown, may continue the hearing for a period of not to exceed 30 days. When the refusal of a county to accept a signed application for aid or services is an issue, the director may require the county to accept the application, and may continue the case until the results of the investigation have been reported to him or her. In any such case in which aid is awarded by the director or his or her designee, the payments shall commence at the time indicated by the director

or his or her designee.

SEC. 7. Section 10958 of the Welfare and Institutions Code is amended to read:

10958. If the hearing is conducted by an administrative law judge, he or she shall prepare a fair, impartial, and independent proposed decision, in writing and in such format that it may be adopted as the director's decision and, after approval of the decision by the chief administrative law judge of the department, the chief administrative law judge shall file a copy of the proposed decision, within 75 days after the conclusion of the hearing, with the director.

SEC. 7.5. Section 10958.1 is added to the Welfare and Institutions Code, to read:

10958.1. The issues at the hearing shall be limited to those issues which are reasonably related to the request for hearing or other issues identified by either party which they have mutually agreed, prior to or at the hearing, to discuss. All of those issues shall be addressed in the hearing decisions.

SEC. 8. Section 10959 of the Welfare and Institutions Code is amended to read:

10959. Within 30 days after the department has received a copy of the administrative law judge's proposed decision, the director may adopt the decision in its entirety; decide the matter himself or herself on the record, including the transcript, with or without taking additional evidence; or order a further hearing to be conducted by himself or herself, or another administrative law judge on behalf of the director. Failure of the director to adopt the proposed decision, decide the matter himself or herself on the record, including the transcript, with or without taking additional evidence or order a further hearing within the 30 days shall be deemed an affirmation of the proposed decision. If the director decides the matter, a copy of his or her decision shall be served on the applicant or recipient and on the affected county, and, if his or her decision differs materially from the proposed decision of the administrative law judge, a copy of that proposed decision shall also be served on the applicant or recipient and on the affected county. If a further hearing is ordered, it shall be conducted in the same manner and within the same time limits specified for the original hearing.

SEC. 9. Section 10960 of the Welfare and Institutions Code is amended to read:

10960. Within 30 days after receiving the proposed decision of an administrative law judge adopted by the director, a final decision rendered by an administrative law judge or a decision issued by the director himself or herself, the affected county or applicant or recipient may file a request with the director for a rehearing. The director shall immediately serve a copy of the request on the other party to the hearing and such other party may within five days of the service file with the director a written statement supporting or objecting to the request. The director shall grant or deny the request no earlier than the fifth nor later than the 15th working day after the

receipt of the request. If the director grants the request, the rehearing shall be conducted in the same manner and subject to the same time limits as the original hearing. If action is not taken by the director within the time allowed, the request shall be deemed denied.

SEC. 9.5. Section 10961 of the Welfare and Institutions Code is amended to read:

10961. The decision of the director need not specify the amount of the award to be paid unless the amount of the award is an issue. If the decision is in favor of the applicant or recipient, the county department shall pay to the applicant or recipient, without the necessity of establishing his or her present need, the amount of aid the director finds he or she is entitled to receive pursuant to the director's decision, payment to commence as of the date the person was first entitled thereto, or grant to him or her the services to which he or she is entitled.

The award shall be determined no later than 30 days following the date that the hearing decision is received by the county, or 30 days from the date the additional information needed for compliance with the decision is provided to the county. After the award is made, the county and the claimant shall be notified by the department of its determination regarding the county's compliance with the decision.

SEC. 10. Section 10966 is added to the Welfare and Institutions Code, to read:

10966. (a) In addition to any other delegation powers granted to the director under law, the director may delegate his or her powers to adopt final decisions under this chapter to all administrative law judges within specified ranges in the department, in the types of cases deemed appropriate by the director. The authority to adopt final decisions shall not be contingent upon the outcome of the judge's resolution of the case or issue, nor upon the identity of a particular administrative law judge. The defined areas of delegation shall be published by the department after interested groups such as the Coalition of California Welfare Rights Organizations, legal aid societies, and the County Welfare Directors Association have had a reasonable amount of time to review and comment.

(b) Notwithstanding any other provisions of this chapter, decisions rendered by the administrative law judges under the authority of this section shall be treated, for all purposes, as the decision of the director. The affected county, recipient, or applicant has the right to request a rehearing pursuant to Section 10960, and the right to petition for judicial review pursuant to Section 10962.

(c) If the director chooses to exercise the authority to delegate his or her powers to adopt final decisions to administrative law judges, the delegation shall be in writing. Any such delegation instrument shall be a public record available at all times, including the time of hearing, from each administrative law judge to whom that authority has been delegated. The written delegation instrument shall include paragraphs (1) and (2) of the following, and may include paragraph

(3) of the following:

(1) It shall specify the administrative law judges that are authorized to render final decisions on his or her behalf, including the effective date of the authorization.

(2) It shall specify the types of cases or issues that are subject to his or her delegation of final authority.

(3) It may include any other implementation instructions which he or she determines are necessary for the effective implementation of this section.

(d) Decisions rendered by administrative law judges pursuant to the provisions of this section shall be fair, impartial, independent, in writing, and in the format prescribed by the Chief Administrative Law Judge.

SEC. 10.5. Section 10967 is added to the Welfare and Institutions Code, to read:

10967. At the time of the hearing the recipient has a right to raise the adequacy of the county's notice of action as an issue. If the administrative law judge determines that adequate notice was provided, the recipient shall agree to discuss the substantive issue or issues or the case shall be dismissed. If the administrative law judge determines that adequate notice was not provided, the case will be postponed unless the recipient waives the adequate notice requirement and agrees to discuss the substantive issue or issues at the hearing. If the notice was not adequate and involved termination or reduction of aid, retroactive action shall be taken by the county to reinstate aid pending.

SEC. 11. Section 12700 of the Welfare and Institutions Code is amended to read:

12700. There is in the State Treasury a permanent revolving fund, in the amount of one hundred fifty thousand dollars ($150,000), to be known as the Revolving Loan Fund, and to be administered by the department. The fund shall be used to make loans to recipients of aid to the aged, blind, or disabled due to blindness under Chapter 3 (commencing with Section 12000), at a rate of interest not to exceed 3 percent per year, to enable those recipients to establish themselves in businesses, professions, or other gainful employment, including, but not limited to self-employment or to assist those already engaged in such endeavors. No loan in excess of fifteen thousand dollars ($15,000) shall be made to any individual under this section.

The department shall establish through the Office of Services to the Blind the terms and conditions of loans made pursuant to this section, and shall prescribe the procedure to be followed in making application for such loans. All funds received in repayment of loans made pursuant to this section shall be deposited in the Revolving Loan Fund, and shall be available for the making of additional loans as provided in this section.

The collection procedures appropriate to the purposes and objectives of the loan fund shall be prescribed by the Office of

Services to the Blind.

SEC. 12. Section 15060 of the Welfare and Institutions Code is repealed.

SEC. 13. Savings due to reductions in aid paid pending as a result of this act may be used to fund part of the cost of reallocating hearing officers to administrative law judges. For this purpose, the State Department of Social Services may transfer an amount not to exceed three hundred sixty thousand dollars ($360,000) for the 1986–87 fiscal year, from the department's local assistance budget contained in Items 5180-101-001 and 5180-101-890 of the Budget Act for the 1986–87 fiscal year, to the department's support budget items contained in 5180-001-001 and 5180-001-890 of the Budget Act for the 1986–87 fiscal year.

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

When an application for public social services is denied, or when an existing grant is terminated or reduced, relief may be obtained only by appeal through the administrative hearing process. During this process applicants receive no public assistance and many recipients face reduced or complete termination of benefits. Recent increases in the backlog of appeals have caused critical delays in the timeliness of hearing decisions. In order to permit immediate improvements in the administrative process thereby reducing delays to all needy families applying for and receiving benefits, it is necessary for this act to take immediate effect.

CHAPTER 416

An act to amend Section 44003 of, and to repeal Section 44006 of, the Health and Safety Code, relating to air pollution.

[Approved by Governor July 17, 1986 Filed with Secretary of State July 17, 1986]

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

SECTION 1. Section 44003 of the Health and Safety Code is amended to read:

44003. Any district which is, or which contains, in whole or in part, a federally designated nonattainment area for the primary federal ambient air quality standards for ozone or carbon monoxide may request the department to implement within its area of jurisdiction a motor vehicle inspection program which meets the requirements of this chapter. The area to be covered by the program shall be specified by the requesting district.

SEC. 2. Section 44006 of the Health and Safety Code is repealed.

CHAPTER 417

An act to amend Sections 2101, 2102, 2103, and 2135 of the Business and Professions Code, relating to physicians and surgeons, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 17, 1986 Filed with Secretary of State July 17, 1986]

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

SECTION 1. Section 2101 of the Business and Professions Code is amended to read:

2101. Any applicant who is not a citizen of the United States or otherwise does not qualify for licensure as a physician and surgeon under Section 2102 whose professional instruction was acquired in a country other than the United States or Canada shall provide evidence satisfactory to the Division of Licensing of compliance with the following requirements in order to be issued a physician's and surgeon's certificate:

(a) Completion in a medical school or schools a resident course of professional instruction equivalent to that required by Section 2089 and issuance to such applicant of a document acceptable to the division which shows final and successful completion of the course.

(b) Admission or licensure to practice medicine and surgery in a country or other state of the United States wherein licensure requirements are satisfactory to the division.

(c) Certification by the Educational Commission for Foreign Medical Graduates, or its equivalent, as determined by the division. This subdivision shall not apply to applicants who took and passed the written examination required in subdivision (e) prior to January 1, 1986.

(d) Completion of one year of postgraduate training in a postgraduate training program approved by the division in the United States or Canada.

(e) Pass the written examination as provided under Article 9 (commencing with Section 2170) and an oral examination. An applicant shall be required to meet the requirements specified in subdivision (c) prior to being admitted to the written examination specified in this subdivision. An applicant shall be required to make application to the division and have passed the portion of the written examination specified in this subdivision relating to basic and clinical science (Part I) prior to commencing any clinical service in a hospital in this state.

Nothing in this section prohibits the division from disapproving any foreign medical school or from denying an application if, in the opinion of the division, the professional instruction provided by the medical school or the instruction received by the applicant is not equivalent to that required in Article 4 (commencing with Section

2080).

SEC. 2. Section 2102 of the Business and Professions Code is amended to read:

2102. Any applicant who either (1) is a United States citizen or (2) has filed a declaration of intention to become a United States citizen, a petition for naturalization, or a comparable document, whose professional instruction was acquired in a country other than the United States or Canada shall provide evidence satisfactory to the Division of Licensing of compliance with the following requirements in order to be issued a physician's and surgeon's certificate:

(a) Completion in a medical school or schools of a resident course of professional instruction equivalent to that required by Section 2089 and issuance to such applicant of a document acceptable to the division which shows final and successful completion of the course.

(b) Certification by the Educational Commission for Foreign Medical Graduates, or its equivalent, as determined by the division. This subdivision shall not apply to applicants who took and passed the written examination required in subdivision (d) prior to January 1, 1986.

(c) Completion of one year of postgraduate training in a postgraduate training program approved by the division in the United States or Canada.

(d) Pass the written examination as provided under Article 9 (commencing with Section 2170) and an oral examination. An applicant shall be required to meet the requirements specified in subdivision (b) prior to being admitted to the written examination specified in this subdivision. An applicant shall be required to make application to the division and have passed the portion of the written examination specified in this subdivision relating to basic and clinical science (Part I) prior to commencing any clinical service in a hospital in this state.

Nothing in this section prohibits the division from disapproving any foreign medical school or from denying an application if, in the opinion of the division, the professional instruction provided by the medical school or the instruction received by the applicant is not equivalent to that required in Article 4 (commencing with Section 2080).

SEC. 3. Section 2103 of the Business and Professions Code is amended to read:

2103. An applicant who is a citizen of the United States shall be eligible for a physician's and surgeon's certificate if he or she has completed the following requirements:

(a) Official transcripts or other official evidence satisfactory to the Division of Licensing of compliance with Section 2088.

(b) Official evidence satisfactory to the division of completion of a resident course or professional instruction equivalent to that required in Section 2089 in a medical school located outside the United States or Canada.

(c) Official evidence satisfactory to the division of completion of

all formal requirements of the medical school for graduation, except the applicant shall not be required to have completed an internship or social service or be admitted or licensed to practice medicine in the country in which the professional instruction was completed.

(d) Attained a score satisfactory to an approved medical school on a qualifying examination acceptable to the division.

(e) Successful completion of one academic year of supervised clinical training in a program approved by the division pursuant to Section 2104. The division shall also recognize as compliance with this subdivision the successful completion of a one-year supervised clinical medical internship operated by a medical school pursuant to Chapter 85 of the Statutes of 1972 and as amended by Chapter 888 of the Statutes of 1973 as the equivalent of the year of supervised clinical training required by this section.

(1) Training received in the academic year of supervised clinical training approved pursuant to Section 2104 shall be considered as part of the total academic curriculum for purposes of meeting the requirements of Sections 2089 and 2089.5.

(2) An applicant who has passed the basic science and English language examinations required for certification by the Educational Commission for Foreign Medical Graduates may present evidence of those passing scores along with a certificate of completion of one academic year of supervised clinical training in a program approved by the division pursuant to Section 2104 in satisfaction of the formal certification requirements of subdivision (c) of Section 2101 or subdivision (b) of Section 2102.

(f) Satisfactory completion of one year of clinical service in a hospital in the United States or Canada which the division approves for first-year postgraduate training.

(g) Passed the written examination required for certification as a physician and surgeon in this chapter

SEC. 4. Section 2135 of the Business and Professions Code is amended to read:

2135. The Division of Licensing shall issue a physician's and surgeon's certificate on reciprocity to an applicant who meets all of the following requirements:

(a) The applicant holds an unlimited license as a physician and surgeon in another state which was issued upon:

(1) Successful completion of a resident course of professional instruction equivalent to that specified in Section 2089.

(2) Taking and passing a written examination that is recognized by the division to be equivalent in content to that administered in California.

(b) The applicant has practiced medicine, with an unrestricted license, in a state or states, or as a member of the active military, United States Public Health Services, or other federal program, for a period of at least four years.

(c) The division determines that no disciplinary action has been taken against the applicant by any medical licensing authority and

that the applicant has not been the subject of adverse judgments or settlements resulting from the practice of medicine which the division determines constitutes evidence of a pattern of negligence or incompetence.

(d) The applicant takes and passes the clinical competency portion of the written examination in California, administered by the division.

(e) The applicant takes and passes an oral examination administered by the division.

(f) The applicant has not committed any acts or crimes constituting grounds for denial of a certificate under Division 1.5 (commencing with Section 475) or Article 12 (commencing with Section 2220).

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

In order to assure as soon as possible that the public receives the best possible medical care, it is necessary for this act to go into immediate effect.

CHAPTER 418

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

[Approved by Governor July 17, 1986 Filed with Secretary of State July 17, 1986]

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

SECTION 1. (a) The Legislature finds and declares that, due to the closure of the Colfax Elementary School as a result of earthquake hazard, the Colfax Elementary School District is in critical need of emergency funding for school facilities purposes.

(b) Due to the unique circumstances specified in subdivision (a) concerning the Colfax Elementary School District, the Legislature finds and declares that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution.

SEC. 2. Funds appropriated for the purposes of this act shall not be included within "the total amount of money allocated for public education in California," as that term is used in Section 8880.1 of the Government Code, as added by the California State Lottery Act of 1984.

SEC. 3. The sum of two hundred thousand dollars ($200,000) is hereby appropriated from the General Fund to the Superintendent of Public Instruction without regard to fiscal year for allocation to the

Colfax Elementary School District, pursuant to Section 1 of this act, for costs, as approved by the State Allocation Board, incurred in the preparation of a temporary site and ancillary school facilities as necessary to house pupils in portable classrooms pursuant to Chapter 25 (commencing with Section 17785) of Part 10 of the Education Code.

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

In order that funds may be allocated to prepare a temporary school site prior to the commencement of the 1986–87 school year pursuant to Section 1 of this act, it is necessary that this act take effect immediately.

CHAPTER 419

An act to amend Section 15463 of the Government Code, relating to the County Health Facilities Financing Assistance Fund, declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 17, 1986 Filed with Secretary of State July 17, 1986]

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

SECTION 1. Section 15463 of the Government Code is amended to read:

15463. (a) There is hereby created in the State Treasury, the County Health Facilities Financing Assistance Fund which, notwithstanding Section 13340, is continuously appropriated for the purposes of this section.

(b) (1) The Controller shall transfer the following amounts to the fund:

(A) The unencumbered balances from appropriations pursuant to Sections 16702 and 16703 of the Welfare and Institutions Code from the 1981–82, 1982–83, and 1983–84 fiscal years, and each fiscal year thereafter, except any funds appropriated by the Legislature to the State Department of Health Services pursuant to subdivisions (a) and (e) of Section 16707 of the Welfare and Institutions Code and any funds contained in the County Medical Services Program Account or the County Medical Services Program Reserve Account established pursuant to Section 16709 of the Welfare and Institutions Code.

(B) Ten million dollars ($10,000,000) from that portion of the funds in the Special Account for Capital Outlay in the General Fund which is designated for county health authority local assistance.

(2) Notwithstanding any other provision of law, out of the amounts received from the settlement pursuant to Section 8(g) of

the Outer Continental Shelf Lands Act, as amended (43 U.S.C. Sec. 1337(g)), the Controller shall transfer ten million dollars ($10,000,000) to the fund.

(c) Investment income derived from moneys in the fund shall be utilized by the authority to provide assistance to counties to pay the debt service on loans for, or otherwise assist in the financing of, facilities, as defined in paragraph (8) of subdivision (d) of Section 15432, by doing any of the following:

(1) Paying not more than 50 percent of the debt service on loans for those facilities or on revenue bonds issued by the authority to finance those facilities, as determined by the authority.

(2) Paying the cost of insurance, letters of credit, lines of credit, or by utilizing other financial devices to enhance the credit of counties in order to secure the payment of debt service on loans for those facilities or on revenue bonds issued by the authority to finance those facilities.

(3) Paying costs, fees, and expenses incurred by counties or the authority in connection with issuing, carrying, or repaying the revenue bonds or financing, acquiring, or constructing those facilities.

(4) Providing any other financial, assistance or support for those facilities, including, but not limited to, payment of any outstanding indebtedness of the county for, or secured by, those facilities, as determined necessary by the authority to carry out the purpose of this subdivision.

(d) The authority may create separate accounts within the fund for each facility assisted pursuant to subdivision (c) or for each assistance program.

(e) Any moneys in the fund which are not required for immediate use or disbursement, as determined by the authority, may be invested in any obligations, as specified, by the authority, including, but not limited to, obligations that are exempt from federal income taxation pursuant to Section 103 of the Internal Revenue Code of 1954, as amended, and direct obligations of the United States issued in book entry form.

(f) Notwithstanding any other provision of law, interest earned on the investment of moneys in the fund shall be credited to the fund and shall be available for the purposes specified in subdivision (c).

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

In order that the administration of programs funded by the County Health Facilities Assistance Fund be resumed at the earliest possible time, it is necessary that this act go take effect immediately.

CHAPTER 420

An act to amend Section 6353 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor July 17, 1986 Filed with Secretary of State July 17, 1986]

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

SECTION 1. Section 6353 of the Revenue and Taxation Code is amended to read:

6353. There are exempted from the taxes imposed by this part the gross receipts from the sales, furnishing, or service of and the storage, use, or other consumption in this state of gas, electricity, and water, including steam and geothermal steam, brines, and heat, when delivered to consumers through mains, lines, or pipes, and water when sold to an individual in bulk quantities of 50 gallons or more for general household use in his or her residence if the residence is located in an area not serviced by mains, lines or pipes, and of exhaust steam, waste steam, heat, or resultant energy, produced in connection with cogeneration technology, as defined in Section 25134 of the Public Resources Code.

SEC. 2. It is the intent of the Legislature that the provisions of this act codify the longstanding administrative practice of the State Board of Equalization which interprets Section 6353 of the Revenue and Taxation Code as exempting steam from sales and use taxation. Therefore, it is the intent of the Legislature that these provisions do not constitute a change in, but are declaratory of, the existing law.

SEC. 3. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect.

CHAPTER 421

An act to add Section 701.5 to the Public Resources Code, relating to forestry.

[Became law without Governor's signature Filed with Secretary of State July 21, 1986]

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

SECTION 1. Section 701.5 is added to the Public Resources Code, to read:

701.5. Notwithstanding Section 701, Section 12805 of the Government Code, or any other provision of law, on and after January 1, 1987, the Department of Forestry shall be the Department of Forestry and Fire Protection.

On and after that date, any reference to the Department of Forestry is deemed to be to the Department of Forestry and Fire Protection and any reference to the Director of Forestry is deemed to be to the Director of Forestry and Fire Protection.

No existing supplies, forms, insignias, signs, or logos shall be destroyed or changed as a result of this name change, and they shall continue to be used until exhausted or unserviceable.

CHAPTER 422

An act to amend Section 35160.5 of the Education Code, relating to school district policies.

[Approved by Governor July 21, 1986 Filed with Secretary of State July 21, 1986.]

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

SECTION 1. It is the intent of the Legislature to emphasize to all pupils in California that each pupil's primary responsibility is to meet the academic challenge of learning. It is further the intent that extracurricular and cocurricular activities are an integral, but supplemental, part of educational programs in grades 7 to 12, inclusive.

It is the intent of the Legislature to foster academic excellence in the public school system and to encourage students to learn the importance of establishing priorities that are designed to lead toward total personal development. It is further the intent of the Legislature to promote balance in students' lives, enabling them to realize complete success in the educational system that will translate into complete success in all walks of life.

In addition, this act shall not be construed as a means to exclude students from participation in extracurricular activities, but rather a means to encourage and to promote academic excellence. To the extent that students are excluded from these activities, the schools are encouraged to do whatever is possible to assist these students in meeting the academic standards prescribed in this act, including the utilization of student support services, including, but not limited to, counseling and tutoring.

SEC. 2. Section 35160.5 of the Education Code is amended to read:

35160.5. (a) On or before December 1, 1984, the governing board of each school district shall, as a condition for the receipt of school apportionments from the State School Fund, adopt rules and regulations establishing school district policies as they relate to the following:

(1) Certification that personnel assigned to evaluate teachers have demonstrated competence in instructional methodologies and

evaluation for teachers they are assigned to evaluate. The determination of whether school personnel meet the district's adopted policies shall be made by the governing board.

(2) The establishment of district policies ensuring that each probationary certificated employee is assigned to a school within the district with assurances that his or her status as a new teacher and his or her potential needs for training, assistance, and evaluations will be recognized by the district.

(3) The establishment of policies and procedures that parents or guardians of pupils enrolled in the district may use to present complaints regarding employees of the district. These policies and procedures shall provide for appropriate mechanisms to respond to, and where possible, to resolve the complaints.

(b) The governing board of each school district that maintains one or more schools containing any of grades 7 to 12, inclusive, shall, as a condition for the receipt of an inflation adjustment pursuant to Section 42238.1, establish a school district policy regarding participation in extracurricular and cocurricular activities by pupils in grades 7 to 12, inclusive. The criteria, which shall be applied to extracurricular and cocurricular activities, shall ensure that pupil participation is conditioned upon satisfactory educational progress in the previous grading period. Pupils who are eligible for differential standards of proficiency pursuant to subdivision (d) of Section 51215 are covered by this section consistent with that subdivision. No person shall classify a pupil as eligible for differential standards of proficiency pursuant to subdivision (d) of Section 51215 for the purpose of circumventing the intent of this subdivision.

(1) For purposes of this subdivision, "extracurricular activity" means a program that has all of the following characteristics:

(A) The program is supervised or financed by the school district.

(B) Students participating in the program represent the school district.

(C) Students exercise some degree of freedom in either the selection, planning, or control of the program.

(D) The program includes both preparation for performance and performance before an audience or spectators.

(2) For purposes of this subdivision, an "extracurricular activity" is not part of the regular school curriculum, is not graded, does not offer credit, and does not take place during classroom time.

(3) For purposes of this subdivision, a "cocurricular activity" is defined as a program that may be associated with the curriculum in a regular classroom.

(4) For purposes of this subdivision, "satisfactory educational progress" shall include, but not be limited to, the following:

(A) Maintenance of minimum passing grades, which is defined as at least a 2.0 grade point average in all enrolled courses on a 4.0 scale.

(B) Maintenance of minimum progress toward meeting the high school graduation requirements prescribed by the governing board.

(5) A program that has, as its primary goal, the improvement of

academic or educational achievements of pupils is not an extracurricular or cocurricular activity as defined by this section.

(6) The governing board of each school district may adopt, as part of its policy established pursuant to this subdivision, provisions that would allow a pupil who does not achieve satisfactory educational progress, as defined in paragraph (4), in the previous grading period to remain eligible to participate in extracurricular and cocurricular activities during a probationary period. The probationary period shall not exceed one semester in length, but may be for a shorter period of time, as determined by the governing board of the school district. A pupil who does not achieve satisfactory educational progress, as defined in paragraph (4), during the probationary period shall not be allowed to participate in extracurricular and cocurricular activities in the subsequent grading period.

(7) Nothing in this subdivision shall preclude the governing board of a school district from imposing a more stringent academic standard than that imposed by this subdivision. If the governing board of a school district imposes a more stringent academic standard, the governing board shall establish the criteria for participation in extracurricular and cocurricular activities at a meeting open to the public pursuant to Section 35145.

The governing board of each school district shall annually review the school district policies adopted pursuant to the requirements of this section.

CHAPTER 423

An act to add Section 17717.6 to, and to add Chapter 21.7 (commencing with Section 17696) to Part 10 of, the Education Code, relating to bonds, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 21, 1986 Filed with Secretary of State July 21, 1986]

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

SECTION 1. Chapter 21.7 (commencing with Section 17696) is added to Part 10 of the Education Code, to read:

CHAPTER 21.7. GREENE-HUGHES SCHOOL BUILDING LEASE-PURCHASE BOND LAW OF 1986

17696. This chapter may be cited as the Greene-Hughes School Building Lease-Purchase Bond Law of 1986.

17696.1. The State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code) is adopted for the purpose of the issuance,

sale, and repayment of, and otherwise providing with respect to, the bonds authorized to be issued by this chapter, and the provisions of that law are included in this chapter as though set out in full in this chapter. All references in this chapter to "herein" shall be deemed to refer both to this chapter and that law.

17696.15. As used in this chapter, and for the purposes of this chapter as used in the State General Obligation Bond Law, the following words shall have the following meanings:

(a) "Committee" means the State School Building Finance Committee created by Section 15909.

(b) "Board" means the State Allocation Board.

(c) "Fund" means the State School Building Lease-Purchase Fund.

17696.2. For the purpose of creating a fund to provide aid to school districts of the state in accordance with the provisions of the Leroy F. Greene State School Building Lease-Purchase Law of 1976 (Chapter 22 (commencing with Section 17700)), and of all acts amendatory thereof and supplementary thereto, and to provide funds to repay any money advanced or loaned to the State School Building Lease-Purchase Fund under any act of the Legislature, together with interest provided for in that act, and to be used to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code, the committee shall be and is hereby authorized and empowered to create a debt or debts, liability or liabilities, of the State of California, in the aggregate amount of eight hundred million dollars ($800,000,000) in the manner provided herein, but not in excess thereof.

17696.25. All bonds herein authorized, which shall have been duly sold and delivered as herein provided, shall constitute valid and legally binding general obligations of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal and interest thereof.

There shall be collected annually in the same manner and at the same time as other state revenue is collected such a sum, in addition to the ordinary revenues of the state, as shall be required to pay the principal and interest on the bonds as herein provided, and it is hereby made the duty of all officers charged by law with any duty in regard to the collection of the revenue, to do and perform each and every act which shall be necessary to collect the additional sum.

On the several dates of maturity of the principal and interest in each fiscal year, there shall be transferred to the General Fund in the State Treasury, all of the money in the fund exclusive of funds transferred pursuant to subdivision (f) of Section 6217 of the Public Resources Code, not in excess of the principal of and interest on the bonds then due and payable, except as herein provided for the prior redemption of the bonds, and, in the event the money so returned on the dates of maturity is less than the principal and interest then due and payable, then the balance remaining unpaid shall be returned to the General Fund in the State Treasury out of the fund

as soon thereafter as it shall become available.

17696.3. All money deposited in the fund under Section 17732 and pursuant to Part 2 (commencing with Section 16300) of Division 4 of Title 2 of the Government Code shall be available only for transfer to the General Fund, as provided in Section 17696.25. When transferred to the General Fund, the money shall be applied as a reimbursement of the General Fund on account of principal and interest due and payable or paid from the General Fund on the earliest issue of school building bonds for which the General Fund has not been fully reimbursed by the transfer of funds.

17696.35. There is hereby appropriated from the General Fund in the State Treasury for the purpose of this chapter, an amount that will equal the following:

(a) The sum annually as will be necessary to pay the principal of and the interest on the bonds issued and sold pursuant to the provisions of this chapter, as the principal and interest become due and payable.

(b) The sum as is necessary to carry out Section 17696.4, which sum is appropriated without regard to fiscal years.

17696.4. For the purposes of carrying out the provisions of this chapter, the Director of Finance may, by executive order, authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of the unsold bonds which the committee has by resolution authorized to be sold for the purpose of carrying out this chapter. Any amounts withdrawn shall be deposited in the fund to be allocated by the board in accordance with this chapter. Any moneys made available under this section to the board shall be returned by the board to the General Fund for moneys received from the sale of bonds sold for the purpose of carrying out this chapter.

17696.5. Upon request of the board from time to time, supported by a statement of the apportionments made and to be made under Chapter 22 (commencing with Section 17700), the committee shall determine whether or not it is necessary or desirable to issue any bonds authorized under this chapter in order to fund the apportionments, and, if so, the amount of bonds to be issued and sold. Four hundred million dollars ($400,000,000) shall be available for apportionment on December 1, 1986, and four hundred million dollars ($400,000,000) shall become available for apportionment on December 1, 1987, such that a total of eight hundred million dollars ($800,000,000) has become available for apportionment. The Treasurer shall sell the bonds so determined at such different times as necessary to service expenditures required by the apportionments.

17696.6. In computing the net interest cost under Section 16754 of the Government Code, interest shall be computed from the date of the bonds or the last preceding interest payment date, whichever is latest, to the respective maturity dates of the bonds then offered for sale at the coupon rate or rates specified in the bid, the

computation to be made on a 360-day-year basis.

17696.7. The committee may authorize the Treasurer to sell all or any part of the bonds herein authorized at such time or times as may be fixed by the Treasurer.

17696.8. All proceeds from the sale of the bonds herein authorized deposited in the fund, as provided in Section 16757 of the Government Code, except those derived from premium and accrued interest, shall be available for the purpose herein provided, but shall not be available for transfer to the General Fund pursuant to Section 17695.25 to pay principal and interest on bonds.

17696.9. With respect to the proceeds of bonds authorized by this chapter, all provisions of Chapter 22 (commencing with Section 17700) shall apply.

17696.95. Out of the first money realized from the sale of bonds under this chapter, there shall be repaid any moneys advanced or loaned to the State School Building Lease-Purchase Fund under any act of the Legislature, together with interest provided for in that act.

17696.96. Not more than three hundred sixty million dollars ($360,000,000) of the moneys authorized by this chapter shall be reserved for the reconstruction or modernization of facilities within the meaning of Chapter 22 (commencing with Section 17700).

17696.98. An amount not to exceed 5 percent of the proceeds from the sale of bonds pursuant to this chapter may be used to purchase and install air-conditioning equipment and insulation materials pursuant to Section 17717.6.

SEC. 2. Section 17717.6 is added to the Education Code, to read:

17717.6. (a) From funds appropriated by the Legislature for this purpose for any fiscal year, the board shall allocate to school districts selected by the board pursuant to this section, funding for the expenses of installing the equipment and materials, for schools operating on a year-round or continuous basis pursuant to Chapter 3 (commencing with Section 37400), Chapter 4 (commencing with Section 37500), or Chapter 5 (commencing with Section 37600) of Part 22.

(b) The State Allocation Board shall allocate the funds appropriated under subdivision (a) only to those school districts in which a high percentage of the pupils, or a significant number of the pupils, are enrolled in year-round or continuous schools as described in subdivision (a). The board shall grant preference in the allocation of those funds to those year-round or continuous schools that are both situated in climates that require air-conditioning and insulation during June, July, and August, and have a high percentage of overcrowding of pupils.

SEC. 3. Section 1 of this act shall take effect upon the adoption by the people of the Greene-Hughes School Building Lease-Purchase Bond Law of 1986, as set forth in Section 1 of this act. Sections 4 to 6, inclusive, of this act contain provisions relating to and necessary for the submission of the Greene-Hughes School Building Lease-Purchase Bond Law of 1986 to the people, and for returning,

canvassing, and proclaiming the votes thereon, and shall take effect immediately.

SEC. 4. Notwithstanding Sections 3525 and 10218 of the Elections Code or any other provision of law, the Greene-Hughes School Building Lease-Purchase Bond Law of 1986, as set forth in Section 1 of this act, shall be submitted to the people of the State of California for their ratification at the next general election, to be held November 4, 1986, and shall appear as the first proposition on the ballot. Section 1 of this act shall in all other respects be submitted to the voters in accordance with provisions of the Government Code and Elections Code governing submission of statewide measures to the voters at a statewide election.

SEC. 5. All ballots at the election shall have printed thereon and in a square thereof, the words: " Greene-Hughes School Building Lease-Purchase Bond Law of 1986," and in the same square under the words the following in 8-point type: "This act provides for a bond issue of eight hundred million dollars ($800,000,000) to provide capital outlay for construction or improvement of public schools to be sold at a rate not to exceed four hundred million dollars ($400,000,000) per year." Opposite the square, there shall be left spaces in which the voters may place a cross in the manner required by law to indicate whether they vote for or against the act. However, where the voting of the election is done by means of voting machines used pursuant to law in such manner as to carry out the intent of this section, the use of the voting machines, and the expression of the voters' choice by means thereof, shall be deemed to comply with the provisions of this section.

SEC. 6. The votes cast for or against the Greene-Hughes School Building Lease-Purchase Bond Law of 1986 shall be counted, returned, and canvassed and declared in the same manner and subject to the same rules as votes cast for state officers; and if it appears that the act shall have received a majority of all the votes cast for and against it at the election, then the act shall take effect as provided by this section, and shall not be repealed until the principal and interest of the liabilities created pursuant to this act shall be paid and discharged; but if a majority of the votes cast at the election are against this act, then the act shall not take effect.

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

In order that the Greene-Hughes School Building Lease-Purchase Bond Law of 1986 may be submitted to the voters at the November 4, 1986, general election, it is necessary that this act take effect immediately.

CHAPTER 424

An act to add Chapter 14.5 (commencing with Section 67350) to Part 40 of the Education Code, relating to education, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 21, 1986. Filed with Secretary of State July 21, 1986]

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

SECTION 1. The Legislature hereby finds and declares as follows:

(a) California's economic and social prosperity relies on a higher education system that keeps pace with California's growth. In the coming decades, the state's economic prosperity will depend on increasing the productivity of the work force and on the ability to compete successfully in the world marketplace.

(b) The system of public higher education in this state includes the University of California, the California State University, the California Community Colleges, and the California Maritime Academy. Each of these institutions plays a vital role in maintaining California's dominance in higher education in the United States.

(c) Over the last several years, studies have been completed by the University of California, the California State University, and the California Community Colleges to assess their long-term and short-term capital needs, which studies demonstrate that these needs total, in the aggregate, several billion dollars.

(d) The purpose of the Higher Education Facilities Bond Act of 1986 is to take the first step toward meeting the capital outlay financing needs of California's public higher education system.

SEC. 2. Chapter 14.5 (commencing with Section 67350) is added to Part 40 of the Education Code, to read:

CHAPTER 14.5. HIGHER EDUCATION FACILITIES BOND ACT OF 1986

67350. This chapter shall be known and may be cited as the Higher Education Facilities Bond Act of 1986.

67351. The State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code) is adopted for the purpose of the issuance, sale, and repayment of, and otherwise providing with respect to, the bonds authorized to be issued by this chapter, and the provisions of that law are hereby incorporated in this chapter as though set out in full in this chapter. All references in this chapter to "herein" shall be deemed to refer both to this chapter and that law.

67352. As used in this chapter, and for the purposes of this chapter as used in the State General Obligation Bond Law, the following

words shall have the following meanings:

(a) "Board" means the State Public Works Board.

(b) "Committee" means the Higher Education Facilities Finance Committee, created pursuant to Section 67353.

(c) "Fund" means the Higher Education Capital Outlay Bond Fund, created pursuant to subdivision (e) of Section 67354.

67353. The Higher Education Facilities Finance Committee is hereby created, consisting of the Governor, the Controller, the Treasurer, the Director of Finance, the President of the University of California, the Chancellor of the California State University, and the Chancellor of the California Community Colleges, or their designees. The Treasurer shall serve as chairperson of the committee.

67354. (a) For the purpose of funding aid to the University of California, the California State University, the California Community Colleges, and the California Maritime Academy for the construction, including the construction of buildings and the acquisition of related fixtures, renovation, and reconstruction of facilities, for the acquisition of sites upon which these facilities are to be constructed, for the equipping of new, renovated, or reconstructed facilities, which equipment shall have a useful life of at least 10 years, to provide funds for payment of preconstruction costs, including, but not limited to, preliminary plans and working drawings, and to provide funds to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code, the committee shall be and is hereby authorized and empowered to create a debt or debts, liability or liabilities, of the State of California, in the aggregate amount of four hundred million dollars ($400,000,000) in the manner provided in this chapter, but not in excess thereof.

(b) The committee shall authorize the issuance of bonds under this chapter only to the extent necessary to fund the apportionments that are expressly authorized by the Legislature in the annual Budget Act. Pursuant to that legislative direction, the committee shall determine when the bonds authorized under this chapter shall be issued in order to fund the authorized apportionments, and the amount of the bonds to be issued and sold.

(c) Up to two hundred fifty million dollars ($250,000,000) shall be available for apportionment in the 1986–87 fiscal year, and up to one hundred fifty million dollars ($150,000,000) shall be available for apportionment for the 1987–88 fiscal year, and in each subsequent fiscal year, except that the maximum aggregate debt or liability amount set forth in subdivision (a) shall not be exceeded.

(d) Pursuant to this section, the Treasurer shall sell the bonds authorized by the committee at such different times as necessary to service expenditures required by the apportionments.

(e) The proceeds of bonds issued and sold pursuant to this chapter shall be deposited in the Higher Education Capital Outlay Bond Fund, which is hereby created in the State Treasury.

67354.5. The proceeds of the bonds may also be used to provide short-term loans to community colleges for the purchase of instructional equipment. Those loans shall be repaid from the first moneys available in the Capital Outlay Fund for Public Higher Education beginning in the 1987–88 fiscal year.

67355. All bonds herein authorized, which shall have been duly sold and delivered as herein provided, shall constitute valid and legally binding general obligations of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal and interest thereof.

There shall be collected annually in the same manner and at the same time as other state revenue is collected a sum, in addition to the ordinary revenues of the state, as is required to pay the principal and interest on the bonds as herein provided, and it is hereby made the duty of all officers charged by law with any duty in regard to the collection of the revenue, to do and perform each and every act which is necessary to collect the additional sum.

67356. There is hereby appropriated from the General Fund in the State Treasury for the purpose of this chapter, an amount that will equal the following:

(a) The sum annually as will be necessary to pay the principal of and the interest on the bonds issued and sold pursuant to the provisions of this chapter, as the principal and interest become due and payable.

(b) The sum as is necessary to carry out Section 67357, which sum is appropriated without regard to fiscal years.

67357. For the purposes of carrying out the provisions of this chapter, the Director of Finance may, by executive order, authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of the unsold bonds which the committee has by resolution authorized to be sold for the purpose of carrying out this chapter. Any amounts withdrawn shall be deposited in the fund to be allocated by the board in accordance with this chapter. Any moneys made available under this section to the board shall be returned by the board to the General Fund, together with interest in the amount that those moneys would have earned in the Pooled Money Investment Account, which repayment shall be made from moneys received from the sale of bonds sold for the purpose of carrying out this chapter.

SEC. 3. Section 2 of this act shall take effect upon the adoption by the people of the Higher Education Facilities Bond Act of 1986, as set forth in Section 2 of this act. Sections 4 to 6, inclusive, of this act contain provisions relating to, and necessary for, the submission of the Higher Education Facilities Bond Act of 1986 to the people, and for returning, canvassing, and proclaiming the votes thereon, and shall take effect immediately.

SEC. 4. Notwithstanding Sections 3525 and 10218 of the Elections Code or any other provision of law, the Higher Education Facilities Bond Act of 1986, as set forth in Section 2 of this act, shall be

submitted to the people of the State of California for their ratification at the next general election, to be held November 4, 1986. Section 2 of this act shall in all other respects be submitted to the voters in accordance with provisions of the Government Code and Elections Code governing submission of statewide measures to the voters at a statewide election.

SEC. 5. All ballots at the election shall have printed thereon and in a square thereof, the words: "Higher Education Facilities Bond Act of 1986," and in the same square under the words the following in 8-point type: "This act provides for a bond issue of four hundred million dollars ($400,000,000) to provide capital for construction or improvement of facilities at California's public higher education institutions, including the University of California's nine campuses, the California State University's 19 campuses, the California Community College's 106 campuses, and the California Maritime Academy, to be sold at a rate not to exceed two hundred fifty million dollars ($250,000,000) per year."

Opposite the square, there shall be left spaces in which the voters may place a cross in the manner required by law to indicate whether they vote for or against the act. However, where the voting of the elections is done by means of voting machines used pursuant to law in such manner as to carry out the intent of this section, the use of the voting machines, and the expression of the voters' choice by means thereof, shall be deemed to comply with the provisions of this section.

SEC. 6. The votes cast for or against the Higher Education Facilities Bond Act of 1986 shall be counted, returned, and canvassed and declared in the same manner and subject to the same rules as votes cast for state officers; and if it appears that the act shall have received a majority of all the votes cast for and against it at the election, then the act shall take effect as provided by this section, and shall not be repealed until the principal and interest of the liabilities created pursuant to this act shall be paid and discharged; but if a majority of the votes cast at the election are against this act, then the act shall not take effect.

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

In order that the Higher Education Facilities Bond Act of 1986 may be placed on the ballot for the general election to be held November 4, 1986, it is necessary that this act take effect immediately.

CHAPTER 425

An act to amend Section 1522 of the Health and Safety Code, relating to community care facilities.

[Approved by Governor July 21, 1986 Filed with Secretary of State July 22, 1986.]

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

SECTION 1. Section 1522 of the Health and Safety Code is amended to read:

1522. It is the intent of the Legislature in enacting this section to require the fingerprints of those individuals whose contact with community care clients may pose a risk to the clients' health and safety.

(a) Before issuing a license or special permit to any person or persons to operate or manage a community care facility, the state department shall secure from an appropriate law enforcement agency a criminal record to determine whether the applicant or any other person specified in subdivision (b) has ever been convicted of a crime other than a minor traffic violation. No fee shall be charged by the Department of Justice or the state department for the fingerprinting of an applicant for a license or special permit to operate a facility providing nonmedical board, room, and care for six or less children or for obtaining a criminal record of the applicant pursuant to this section. If it is found that the applicant or any other person specified in subdivision (b) has been convicted of a crime, other than a minor traffic violation, the application shall be denied, unless the director grants an exemption pursuant to subdivision (e).

(b) In addition to the applicant, this section shall be applicable to criminal convictions of the following persons:

(1) Adults responsible for administration or direct supervision of staff.

(2) Any person, other than a client, residing in the facility.

(3) Any person who provides client assistance in dressing, grooming, bathing, or personal hygiene.

(4) Any staff person or employee who has frequent and routine contact with the clients. In determining who has frequent contact, any volunteer who is in the facility shall be exempt unless the volunteer is used to replace or supplement staff in providing direct care and supervision of clients. In determining who has routine contact, staff and employees under direct onsite supervision and who are not providing direct care and supervision or who have only occasional or intermittent contact with clients shall be exempt.

(5) Except for staff members of social rehabilitation facilities serving minors with alcohol or drug abuse problems, staff members of social rehabilitation facilities, other than those specified in paragraphs (1) and (2), are exempt from fingerprinting

requirements.

(6) If the applicant is a firm, partnership, association, or corporation, the chief executive officer or other person serving in like capacity.

(7) Additional officers of the governing body of the applicant, or other persons with a financial interest in the applicant, as determined necessary by the department by regulation. The criteria used in the development of these regulations shall be based on the person's capability to exercise substantial influence over the operation of the facility.

(c) Subsequent to initial licensure, any person specified in subdivision (b) and not exempted from fingerprinting shall, as a condition to employment, residence, or presence in a community care facility, be fingerprinted and sign a declaration under penalty of perjury regarding any prior criminal convictions. The licensee shall submit these fingerprints to the licensing agency not later than 20 days following employment, residence, or initial presence in the community care facility. These fingerprints may be on a card provided by the Department of Social Services or by a local law enforcement office for the purpose of obtaining a permanent set of fingerprints. Upon request of the provider, who shall enclose a self-addressed stamped postcard for this purpose, the department shall verify receipt of the fingerprints.

Within 10 working days of the receipt of these fingerprints, the Department of Social Services shall submit them to the Department of Justice. Within 10 working days of the receipt of the criminal record or information regarding criminal convictions from the Department of Justice, the department shall, when necessary as determined by the department, notify the licensee of the criminal convictions, as provided in this subdivision. If new fingerprints are required for processing, the Department of Social Services shall notify the licensee within five working days from the date of notification by the Department of Justice that the fingerprints were illegible. Except for persons specified in paragraph (2) of subdivision (b), the licensee shall endeavor to ascertain the previous employment history of persons required to be fingerprinted under this subdivision. If it is determined by the Department of Social Services, on the basis of the fingerprints submitted to the Department of Justice, that the person has been convicted of a sex offense against a minor, or has been convicted for an offense specified in Section 243.4, 273a or 273d of the Penal Code, or has been convicted of a felony, the Department of Social Services shall notify the licensee to act immediately to terminate the person's employment, remove the person from the community care facility, or bar the person from entering the community care facility. The Department of Social Services may subsequently grant an exemption pursuant to subdivision (e). If the conviction was for another crime, except a minor traffic violation, the licensee shall, upon notification by the Department of Social Services, act immediately to either (1)

terminate the person's employment, remove the person from the community care facility, or bar the person from entering the community care facility; or (2) seek an exemption pursuant to subdivision (e). The Department of Social Services shall determine if the person shall be allowed to remain in the facility until a decision on the exemption is rendered.

(d) For purposes of this section or any other provision of this chapter, a conviction means a plea or verdict of guilty or a conviction following a plea of nolo contendere. Any action which the state department is permitted to take following the establishment of a conviction may be taken when the time for appeal has elapsed, or the judgment of conviction has been affirmed on appeal or when an order granting probation is made suspending the imposition of sentence, notwithstanding a subsequent order pursuant to the provisions of Sections 1203.4 and 1203.4a of the Penal Code permitting the person to withdraw his or her plea of guilty and to enter a plea of not guilty, or setting aside the verdict of guilty, or dismissing the accusation, information, or indictment. For purposes of this section or any other provision of this chapter, the record of a conviction, or a copy thereof certified by the clerk of the court or by a judge of the court in which the conviction occurred, shall be conclusive evidence of the conviction.

(e) After review of the record, the director may grant an exemption from disqualification for a license or special permit pursuant to subdivision (a), or for employment, residence, or presence in a community care facility as specified in subdivision (c) if the director has substantial and convincing evidence to support a reasonable belief that the applicant and the person convicted of the crime, if other than the applicant, are of such good character as to justify issuance of the license or special permit or granting an exemption for purposes of subdivision (c). No exemption shall be granted pursuant to this subdivision if the conviction was for an offense specified in Section 220, 243.4, or 264.1, or paragraph (1) of Section 273a, or Sections 273d, 288, or 289 of the Penal Code, or was a conviction of another crime against an individual specified in paragraph (3), (4), (5), or (6) of subdivision (c) of Section 667.5 of the Penal Code. However, the director may grant an exemption if the employee or prospective employee, who was convicted of a crime against an individual in paragraph (1), (2), (7), or (8) of subdivision (c) of Section 667.5 of the Penal Code, has been rehabilitated as provided in Section 4852.03 of the Penal Code and has maintained the conduct required in Section 4852.05 of the Penal Code for at least 10 years and has the recommendation of the district attorney representing the employee's county of residence, or if the employee or prospective employee has received a certificate of rehabilitation pursuant to Chapter 3.5 (commencing with Section 4852.01) of Title 6 of Part 3 of the Penal Code.

CHAPTER 426

An act to add Chapter 8.5 (commencing with Section 6980) to Division 3 of the Business and Professions Code, relating to locksmiths, and making an appropriation therefor.

[Approved by Governor July 21, 1986 Filed with Secretary of State July 22, 1986.]

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

SECTION 1. Chapter 8.5 (commencing with Section 6980) is added to Division 3 of the Business and Professions Code, to read:

CHAPTER 8.5. LOCKSMITHS

Article 1. General Provisions

6980. The following terms as used in this chapter have the meaning expressed in this article:

(a) "Bureau" means the Bureau of Collection and Investigative Services.

(b) "Chief" means the Chief of the Bureau of Collection and Investigative Services.

(c) "Department" means the Department of Consumer Affairs.

(d) "Director" means the Director of Consumer Affairs.

(e) "Employee" means an individual who works for an employer, is listed on the employer's payroll records, and is under the employer's direction and control.

(f) "Employer" means a person who employs an individual for wages or salary, lists the individual on the employer's payroll records, and withholds all legally required deductions and contributions.

(g) "Key duplicator" means an operator of a key duplicating machine who merely duplicates keys for retail customers and who does not perform any other function of a locksmith.

(h) "Permittee" means a person certified under the provisions of this chapter as having been issued a permit by the bureau.

(i) "Person" means any individual, firm, company, association, organization, partnership, or corporation.

6980.2. (a) "Locksmith" means a person, other than a key duplicator, who installs, repairs, opens, and modifies locks and who makes keys for locks.

(b) "Locksmith" includes a locksmith company operator, a locksmith agent, and a student locksmith.

Article 2. Application of Chapter

6980.10. On and after July 1, 1987, it is unlawful for any person to practice as a locksmith without first obtaining a permit from the

bureau.

6980.12. This chapter applies to locksmiths and student locksmiths.

6980.14. This chapter does not apply to any person, or his or her agent or employee, who is the manufacturer of a product, other than locks and keys, and who makes keys for the locks of that product as a normal incident to its marketing.

6980.16. This chapter does not apply to key duplicators or to employees at a fixed location who are industrial or institutional locksmiths and are not for hire to the public.

Article 3. Permits

6980.20. Every person seeking a permit under this chapter shall submit a written application and fingerprints on a form prescribed by the bureau accompanied by a fee to be fixed by the bureau.

6980.21. The application fee shall be fixed by the bureau in an amount sufficient to cover the cost of processing the fingerprints by federal and state authorities, but in no case shall the fee exceed fifty dollars ($50).

6980.22. The bureau may deny a permit to any applicant who has been convicted of a felony, if the crime is substantially related to the qualifications, functions, or duties of a locksmith. However, the bureau shall not deny a permit if the applicant has been rehabilitated, as provided in Section 4852.03 of the Penal Code, and has maintained the conduct required in Section 4852.05 of the Penal Code for at least 10 years and has the recommendation of the district attorney representing the applicant's county of residence, or if the applicant has received a certificate of rehabilitation pursuant to Chapter 3.5 (commencing with Section 4852.01) of Title 6 of Part 3 of the Penal Code.

6980.23. The bureau shall issue a permit to any applicant who meets the requirements of this chapter.

6980.24. Every permit shall expire on June 30 of each year and shall be renewed annually upon submission of a written application for renewal and renewal fee prescribed by the bureau.

6980.25. A person whose permit expires thereupon immediately loses all the rights of a permittee. Application for renewal of an expired permit may be made within 90 days after expiration upon payment of the renewal fee plus a 10 percent penalty. After that period of time, the permit shall not be restored except upon written application, payment of the annual permit fee, and passing any requirements imposed by the bureau upon a new permittee.

6980.26. No permit issued pursuant to this chapter shall be transferred to another person.

6980.27. Every permittee shall be required to give his or her original business address or addresses and to notify the bureau, in writing, within 10 days, of any change of business address.

6980.28. Every permittee shall display his or her permit in a

conspicuous manner in the place where he or she is practicing his or her trade.

6980.29. The bureau shall issue to each permittee an identification card which shall have the photograph of the permittee and his or her fingerprints attached and shall bear an assigned number. At all times the locksmith is engaged in the work of a locksmith, as defined under this chapter, whether on the premises of a locksmith shop or not, the locksmith shall have an identification card in his or her possession.

Article 4. Disciplinary Proceedings and Criminal Sanctions

6980.30. The proceedings of the bureau to deny a permit application, or to revoke or suspend a permit, shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

6980.32. The bureau may revoke or suspend a permit issued pursuant to this chapter for any of the following acts and they shall be deemed unlawful:

(a) Misrepresentation or concealment of a material fact in a permit application.

(b) Interference with authorized personnel engaged in the enforcement or administration of this chapter.

(c) Knowingly using or permitting the use of any of his or her skills, tools, or facilities for the commission of any crime.

(d) Conviction of a felony or a crime involving moral turpitude.

6980.34. Any person who violates any provision of this chapter is guilty of a misdemeanor.

Article 5. Revenue

6980.40. The amount of the fees required by this chapter is that fixed by the following schedule:

(a) The application fee for a locksmith permit shall not exceed fifty dollars ($50).

(b) The fee for renewal of a locksmith permit is fifty dollars ($50).

6980.42. (a) The bureau shall report each month to the Controller the amount and source of all revenue received pursuant to this chapter and shall pay the entire amount thereof into the State Treasury for credit to the Collection Agency Fund.

(b) All moneys paid into the Collection Agency Fund pursuant to subdivision (a) are hereby continuously appropriated to the bureau for the purposes of this chapter.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

CHAPTER 427

An act to amend Section 1203.065 of the Penal Code, relating to probation.

[Approved by Governor July 21, 1986 Filed with Secretary of State July 22, 1986]

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

SECTION 1. Section 1203.065 of the Penal Code is amended to read:

1203.065. (a) Notwithstanding any other provision of law, probation shall not be granted to, nor shall the execution or imposition of sentence be suspended for, any person convicted of violating subdivision (2) of Section 261, or Section 264.1, or Section 266h, or Section 266i, or Section 266j, or 289, or of committing sodomy or oral copulation in violation of Section 286 or 288a by force, violence, duress, menace or threat of great bodily harm or subdivision (c) of Section 311.4.

(b) Except in unusual cases where the interests of justice would best be served if the person is granted probation, probation shall not be granted to any person convicted of a violation of Section 220 for assault with intent to commit rape, sodomy, oral copulation, any violation of Section 264.1, any violation of subdivision (b) of Section 288, or any violation of Section 289.

When probation is granted, the court shall specify on the record and shall enter on the minutes the circumstances indicating that the interests of justice would best be served by such a disposition.

(c) This section does not prohibit the adjournment of criminal proceedings pursuant to Division 3 (commencing with Section 3000) or Division 6 (commencing with Section 6000) of the Welfare and Institutions Code.

CHAPTER 428

An act to amend Sections 8880.24 and 8880.35 of the Government Code, relating to the California State Lottery.

[Approved by Governor July 21, 1986 Filed with Secretary of State July 22, 1986]

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

SECTION 1. Section 8880.24 of the Government Code is amended to read:

8880.24. Powers and Duties of the Commission

The Commission shall exercise all powers necessary to effectuate

the purposes of this chapter. In all decisions, the Commission shall take into account the particularly sensitive nature of the California State Lottery and shall act to promote and ensure integrity, security, honesty, and fairness in the operation and administration of the Lottery. In decisions relating to advertising and promotion of the Lottery, the Commission shall ensure that the Lottery complies with both the letter and spirit of the laws governing false and misleading advertising, including Section 17500 et seq. of the Business and Professions Code.

SEC. 2. Section 8880.35 of the Government Code is amended to read:

8880.35. Duties, Powers, and Jurisdiction

The Director shall, subject to the approval of the Commission, perform all duties, exercise all powers and jurisdiction, assume and discharge all responsibilities, and carry out and effect all purposes of this chapter. The Director shall act as Secretary of the Commission and Executive Officer of the Lottery. The Director shall supervise and administer the operation of the Lottery in accordance with this chapter and the rules and regulations promulgated by the Commission. In addition, the Director shall have access to criminal history information pursuant to Sections 11105 and 11105.01 of the Penal Code. In all decisions, the Director shall take into account the particularly sensitive nature of the California State Lottery and shall act to promote and ensure integrity, security, honesty, and fairness of the operation and administration of the Lottery. In decisions relating to advertising and promotion of the Lottery, the Director shall ensure that the Lottery complies with both the letter and spirit of the laws governing false and misleading advertising, including Section 17500 et seq. of the Business and Professions Code.

SEC. 3. The Legislature finds and declares that this act furthers the purpose of the California State Lottery Act of 1984.

CHAPTER 429

An act to amend Section 8261 of the Government Code, relating to state government.

[Approved by Governor July 21, 1986 Filed with Secretary of State July 22, 1986]

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

SECTION 1. Section 8261 of the Government Code is amended to read:

8261. The commission consists of one Member of the Senate, appointed by the Committee on Rules, one Member of the Assembly, appointed by the Speaker, six additional members, appointed by the Governor, the Legislative Counsel, any person, not otherwise a

member of the commission, elected as a life member of the National Conference of Commissioners on Uniform State Laws based upon service as a member of the commission, and any person, not otherwise a member of the commission, who served as a member of the commission, other than as an appointee of the Governor, for a period of at least ten years.

The members of the Legislature appointed to the commission shall serve at the pleasure of the appointing power and shall participate in the activities of the commission to the extent that the participation is not incompatible with their respective positions as Members of the Legislature. For the purposes of this article, the Members of the Legislature shall constitute a joint interim investigating committee on the subject of this article and shall have the powers and duties imposed upon those committees by the Joint Rules of the Senate and Assembly.

SEC. 2. The office created by the amendment to Section 8621 of the Government Code by Section 1 of this act, applicable to a person who has served as a member of the commission, other than as an appointee of the Governor, for a period of at least ten years, shall be applicable only to a person who has served as a commissioner after November 15, 1976.

CHAPTER 430

An act to add Section 1182.3 to the Labor Code, relating to employees.

[Approved by Governor July 22, 1986 Filed with Secretary of State July 22, 1986.]

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

SECTION 1. Section 1182.3 is added to the Labor Code, to read:

1182.3. No employee licensed pursuant to Article 3 (commencing with Section 7850) of Chapter 1 of Part 3 of Division 6 of the Fish and Game Code, or who is employed on a commercial passenger fishing boat licensed pursuant to Article 5 (commencing with Section 7920) of Chapter 1 of Part 3 of Division 6 of the Fish and Game Code, shall be subject to a minimum wage or maximum hour order of the commission.

SEC. 2. It is the intent of the Legislature in enacting this act to make California law consistent with federal law with regard to minimum wages and maximum hours in the commercial fishing industry.

CHAPTER 431

An act to add and repeal Article 4.7 (commencing with Section 19849.15) to Chapter 2 of Part 6.7 of Division 5 of Title 2 of the Government Code, relating to state employees.

[Approved by Governor July 22, 1986 Filed with Secretary of State July 22, 1986]

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

SECTION 1. Article 4.7 (commencing with Section 19849.15) is added to Chapter 2 of Part 6.7 of Division 5 of Title 2 of the Government Code, to read:

Article 4.7. Supervisory Salary Differentials

19849.15. Commencing July 1, 1987, the Department of Personnel Administration shall conduct surveys of supervisory salary differentials existing in other governmental jurisdictions. The department shall provide the Governor and the Legislature no later than January 1, 1988 with the survey findings.

SEC. 2. This act shall remain in effect only until January 1, 1988, or until the report required by Section 1 is submitted to the Governor and the Legislature, whichever occurs later, and as of that date is repealed.

CHAPTER 432

An act to amend Sections 54711 and 54715 of the Government Code, relating to benefit assessments.

[Approved by Governor July 22, 1986 Filed with Secretary of State July 22, 1986]

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

SECTION 1. Section 54711 of the Government Code is amended to read:

54711. (a) No benefit assessment shall be levied pursuant to this chapter unless it meets all of the following requirements:

(1) The amount of the assessment imposed on any parcel of property shall be related to the benefit to the parcel which will be derived from the provision of the service. Except as provided in subdivision (d) or (e) of Section 54715, in the case of a benefit assessment for flood control services, the benefit may be determined on the basis of the proportionate storm water runoff from each parcel.

(2) The annual aggregate amount of the assessment shall not exceed the estimated annual cost of providing the service.

(3) The revenue derived from the assessment shall not be used to pay the cost of any service other than the service for which the assessment was levied.

(b) This section does not limit or prohibit the levy or collection of any other fee, charge, or tax for the provision of services, except that a maintenance district formed pursuant to Chapter 7 (commencing with Section 1550) of Division 2 of the Streets and Highways Code may impose an assessment pursuant to this chapter only as an alternative to imposing a property tax for the provision of street lighting services.

SEC. 2. Section 54715 of the Government Code is amended to read:

54715. (a) The legislative body of a local agency may by ordinance or resolution, adopted after notice and public hearing, determine and propose for adoption an annual assessment on each parcel of real property within the jurisdiction of the local agency, except that the governing body shall not impose an assessment upon a federal or state governmental agency or another local agency.

(b) The legislative body may establish zones or areas of benefit within the local agency and may restrict the imposition of the assessment to areas lying within one or more of the zones or areas of benefit established within the local agency.

(c) The benefit assessment shall be levied on a parcel, class of improvement to property, or use of property basis, or a combination thereof, within the boundaries of the local agency, zone, or area of benefit. Except as provided in subdivision (d) or (e), in the case of a benefit assessment for flood control services, the benefit assessment may be levied on the basis of proportionate storm water runoff from each parcel.

The assessment may be levied against any parcel, improvement, or use of property to which such services may be made available, whether or not such service is actually used.

(d) Whenever a railroad, gas, water, telephone, cable television, electric utility right-of-way, electric line right-of-way, or other utility right-of-way is included within an area proposed to be assessed, the railroad, gas, water, telephone, cable television, electric utility right-of-way, electric line right-of-way, or other utility right-of-way shall be subject to the assessment only if, and to the extent that, it is found that it will benefit from the service, and the railroad, gas, water, telephone, cable television, electric utility right-of-way, electric line right-of-way, or other utility right-of-way shall be subject to the same penalties, and the same procedure and sale, in the event of delinquencies, as other parcels in the assessment area. In determining whether or not the railroad, gas, water, telephone, cable television, electric utility right-of-way, electric line right-of-way, or other utility right-of-way benefits from the services provided, its use as a right-of-way for a railroad, gas, water, telephone, cable television,

electric, or other utility shall be presumed to be permanent.

(e) Proportionate storm water runoff may be used as a measure of benefit on an undeveloped parcel of land pursuant to this section only if, and to the extent that, it is found that it will benefit from the service.

For the purposes of this section, an undeveloped parcel of land means a parcel of rural land in its undeveloped natural state, although the land may be grazed, if otherwise undisturbed, in a manner consistent with the normally accepted grazing land management practices for that geographic area. An undeveloped parcel of land also includes wetlands and marshlands if undisturbed and subject to periodic inundation. For purposes of this section, rural land is land which is outside of an urbanized area, as designated by the most recent federal decennial census of the United States Bureau of the Census.

CHAPTER 433

An act to add Section 987.861 to the Military and Veterans Code, relating to veterans' farm and home purchases, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 22, 1986. Filed with Secretary of State July 22, 1986]

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

SECTION 1. Section 987.861 is added to the Military and Veterans Code, to read:

987.861. (a) A veteran for whom a farm or home is purchased under this article may be granted a subsequent opportunity to purchase another farm or home when, after entering into the contract for purchase of the farm or home, the veteran purchaser is determined by the United States Veterans' Administration to have a service-connected disability of 80 percent or more and to require a different residence with special accommodations for the disability by reason of the nature of the disability.

(b) A veteran qualifying for a subsequent opportunity to purchase a farm or home under subdivision (a) shall sell the first farm or home and pay the contract of purchase in full, make application for subsequent farm or home purchase benefits within six months of the sale, and pay the entire net equity received from the sale of the first farm or home toward the purchase of the second farm or home.

(c) The maximum purchase price of the second farm or home to the department shall be as specified in Sections 987.65 and 987.92.

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

immediate effect. The facts constituting the necessity are:

In order to accommodate the benefits conferred under the Veterans' Farm and Home Purchase Act of 1974 to the special requirements of severely disabled veterans as quickly as possible, it is necessary that this act take effect immediately.

CHAPTER 434

An act to amend Section 12101 of the Health and Safety Code, and to amend Sections 12515 and 34043 of, and to repeal Sections 32006 and 34001.1 of, the Vehicle Code, relating to vehicles.

[Approved by Governor July 22, 1986 Filed with Secretary of State July 22, 1986]

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

SECTION 1. Section 12101 of the Health and Safety Code is amended to read:

12101. (a) No person shall do any one of the following without first having made application for and received a permit in accordance with this section:

(1) Manufacture explosives.

(2) Sell, furnish, or give away explosives.

(3) Receive, store, or possess explosives.

(4) Transport explosives.

(5) Use explosives.

(6) Operate a terminal for handling explosives.

(7) Park or leave standing any vehicle carrying explosives, except when parked or left standing in or at a safe stopping place designated as such by the Department of the California Highway Patrol under Division 14 (commencing with Section 31600) of the Vehicle Code.

(b) Application for a permit shall be made to the appropriate issuing authority.

(c) (1) A permit shall be obtained from the issuing authority having the responsibility in the area where the activity, as specified in subdivision (a), is to be conducted.

(2) If the person holding a valid permit for the use or storage of explosives desires to purchase or receive explosives in a jurisdiction other than that of intended use or storage, the person shall first present the permit to the issuing authority in the jurisdiction of purchase or receipt for endorsement. The issuing authority may include any reasonable restrictions or conditions which the authority finds necessary for the prevention of fire and explosion, the preservation of life, safety, or the control and security of explosives within the authority's jurisdiction. If, for any reason, the issuing authority refuses to endorse the permit previously issued in the area of intended use or storage, the authority shall immediately notify

both the issuing authority who issued the permit and the Department of Justice of the fact of the refusal and the reasons for the refusal.

(3) Every person who sells, gives away, delivers, or otherwise disposes of explosives to another person shall first be satisfied that the person receiving the explosives has a permit valid for that purpose. When the permit to receive explosives indicates that the intended storage or use of the explosives is other than in that area in which the permittee receives the explosives, the person who sells, gives away, delivers, or otherwise disposes of the explosives shall insure that the permit has been properly endorsed by a local issuing authority and, further, shall immediately send a copy of the record of sale to the issuing authority who originally issued the permit in the area of intended storage or use. The issuing authority in the area in which the explosives are received or sold shall not issue a permit for the possession, use, or storage of explosives in an area not within the authority's jurisdiction.

(d) In the event any person desires to receive explosives for use in an area outside of this state, a permit to receive the explosives shall be obtained from the State Fire Marshal.

(e) A permit may include any restrictions or conditions which the issuing authority finds necessary for the prevention of fire and explosion, the preservation of life, safety, or the control and security of explosives.

(f) A permit shall remain valid only until the time when the act or acts authorized by the permit are performed, but in no event shall the permit remain valid for a period longer than one year from the date of issuance of the permit.

(g) Any valid permit which authorizes the performance of any act shall not constitute authorization for the performance of any act not stipulated in the permit.

(h) An issuing authority shall not issue a permit authorizing the transportation of explosives pursuant to this section if the display of placards for that transportation is required by Section 27903 of the Vehicle Code, unless the driver possesses a license for the transportation of hazardous materials issued pursuant to Division 14.1 (commencing with Section 32000) of the Vehicle Code, or the explosives are a hazardous waste or extremely hazardous waste, as defined in Sections 25117 and 25115 of the Health and Safety Code, and the transporter is currently registered as a hazardous waste hauler pursuant to Section 25163 of the Health and Safety Code.

SEC. 2. Section 12515 of the Vehicle Code is amended to read:

12515. (a) No person under the age of 18 years shall be employed for compensation by another for the purpose of driving a motor vehicle on the highways.

(b) No person under the age of 21 years shall be employed for compensation by another to drive, and no person under the age of 21 years may drive, a motor vehicle specified in Section 34500 that is engaged in interstate commerce or that is engaged in the

transportation of hazardous substances or wastes, as defined in the regulations of the United States Department of Transportation found in Section 171.8 of Title 49 of the Code of Federal Regulations, as that section read on January 1, 1987, or as it is subsequently amended.

SEC. 3. Section 32006 of the Vehicle Code is repealed.

SEC. 4. Section 34001.1 of the Vehicle Code is repealed.

SEC. 5. Section 34043 of the Vehicle Code is amended to read:

34043. The original or renewal registration shall be for one year commencing on the day when the applicant meets all of the requirements of this division and expiring at midnight of the last day of the same month in the next succeeding year. Application for renewal registration shall be made on or before a date 60 days prior to the date that the current registration expires.

SEC. 6. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

CHAPTER 435

An act to amend Section 13965 of the Government Code, relating to victims of crime.

[Approved by Governor July 22, 1986 Filed with Secretary of State July 22, 1986.]

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

SECTION 1. Section 13965 of the Government Code is amended to read:

13965. (a) If the application for assistance is approved, the board shall determine what type of state assistance will best aid the victim. The board may take any or all of the following actions:

(1) Authorize a direct cash payment to a provider of psychological or psychiatric treatment or mental health counseling services, or to the victim, equal to the pecuniary loss attributable to medical or medical-related expenses directly resulting from the injury, provided that the board may not authorize without good cause a direct cash payment to a licensed health care provider over the objection of the victim.

(2) Authorize a cash payment to the victim equal to the pecuniary loss resulting from loss of wages or support directly resulting from the injury.

(3) Authorize cash payments to or on behalf of the victim for job retraining or similar employment-oriented rehabilitative services.

(4) Obtain an independent examination and report from any

provider of psychological or psychiatric treatment or mental health counseling services, if it believes there is a reasonable basis for requesting an additional evaluation.

(5) The total award to or on behalf of the victim shall not exceed twenty-three thousand dollars ($23,000).

(b) Assistance granted pursuant to this article shall not disqualify an otherwise eligible victim from participation in any other public assistance program.

(c) Cash payments made pursuant to this article may be on a one-time or periodic basis. If periodic, the board may increase, reduce, or terminate the amount of assistance according to need, subject to the maximum limit of twenty-three thousand dollars ($23,000).

(d) The board may also authorize payment of attorney's fees representing the reasonable value of legal services rendered to the applicant, but not to exceed 10 percent of the amount of the award, or five hundred dollars ($500), whichever is less.

(e) No attorney shall charge, demand, receive, or collect any amount for services rendered in connection with any proceedings under this article except as awarded under this section.

(f) The maximum cash payments authorized in subdivision (a) shall be increased to forty-six thousand dollars ($46,000) if federal funds for such increases are available.

(g) Notwithstanding subdivisions (a) and (f), a victim injured between January 1, 1985, and December 31, 1985, shall be entitled to receive a maximum cash payment of forty-six thousand dollars ($46,000) if federal funds for these increases are available, but only for costs in excess of limitations provided for in subdivision (a) which are attributable to medical or medical-related expenses, except for psychological or psychiatric treatment, or mental health counseling services.

CHAPTER 436

An act to amend Section 708.730 of the Code of Civil Procedure, relating to support, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 22, 1986 Filed with Secretary of State July 22, 1986]

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

SECTION 1. Section 708.730 of the Code of Civil Procedure is amended to read:

708.730. (a) If money is owing and unpaid to the judgment debtor by a public entity, the judgment creditor may file, in the manner provided in this article, an abstract of the money judgment

or a certified copy of the money judgment, together with an affidavit that states that the judgment creditor desires the relief provided by this article and states the exact amount then required to satisfy the judgment. The judgment creditor may state in the affidavit any fact tending to establish the identity of the judgment debtor.

(b) Promptly after filing the abstract or certified copy of the judgment and the affidavit with the public entity, the judgment creditor shall serve notice of the filing on the judgment debtor. Service shall be made personally or by mail.

(c) If the judgment is for support and related costs and money is owing and unpaid to the judgment debtor by a state agency, including, but not limited to, money owing and unpaid to the judgment debtor by a state agency as a result of overpayment of a tax, penalty, or interest, or interest allowable with respect to an overpayment, under Part 10 (commencing with Section 17001) of Division 2 of the Revenue and Taxation Code, and the district attorney is enforcing the support obligation pursuant to Section 11475.1 of the Welfare and Institutions Code, the claim may be submitted as follows: The district attorney may file the affidavit referred to in subdivision (a) without filing an abstract or certified copy of the judgment. In lieu thereof, the affidavit shall also state that an abstract of the judgment could be obtained. Where there is more than one judgment debtor, the district attorney may include all the judgment debtors in a single affidavit. Separate affidavits need not be submitted for each judgment debtor. The affidavit need not on its face separately identify each judgment debtor or the exact amount required to satisfy the judgment, so long as it incorporates by reference forms or other automated data transmittals, as required by the State Department of Social Services, which contain this information. Affidavits submitted pursuant to this subdivision by the district attorney shall meet the standards and procedures prescribed by the state agency to which the affidavit is submitted, except that those affidavits submitted with respect to moneys owed and unpaid to the judgment debtor as a result of overpayment of a tax, penalty, or interest, or interest allowable with respect to an overpayment, under Part 10 (commencing with Section 17001) of Division 2 of the Revenue and Taxation Code shall meet the standards and procedures prescribed by the Franchise Tax Board.

In serving the notice required by subdivision (b), the Director of the State Department of Social Services or his or her designee may act in lieu of the judgment creditor as to judgments enforced under this division.

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

In order that children on child support immediately begin receiving the funds to which they are entitled, it is necessary that this act go into immediate effect.

CHAPTER 437

An act to amend Section 43.95 of the Civil Code, relating to liability.

[Approved by Governor July 22, 1986 Filed with Secretary of State July 22, 1986]

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

SECTION 1. Section 43.95 of the Civil Code is amended to read:

43.95. (a) There shall be no monetary liability on the part of, and no cause of action for damages shall arise against, any professional society or any nonprofit corporation authorized by such society to operate a referral service, or their agents, employees, or members, for referring any member of the public to any professional member of such society or service, or for acts of negligence or conduct constituting unprofessional conduct committed by a professional to whom a member of the public was referred, so long as any of the foregoing persons or entities has acted without malice, and the referral was made at no cost added to the initial referral fee as part of a public service referral system organized under the auspices of the professional society. Further, there shall be no monetary liability on the part of, and no cause of action for damages shall arise against, any professional society for providing a telephone information library available for use by the general public without charge, nor against any nonprofit corporation authorized by such society for providing a telephone information library available for use by the general public without charge. "Professional society" includes legal, psychological, architectural, dental, dietetic, accounting, optometric, podiatric, pharmaceutic, chiropractic, veterinary, and engineering organizations having as members at least a majority of the eligible persons or licentiates in the area served by the particular society, or organizations with referral services which have been authorized by the State Bar of California and operated in accordance with its Minimum Standards for a Lawyer Referral Service in California, and organizations which have been established to provide free assistance or representation to needy patients or clients.

(b) This section shall not apply whenever the professional society, while making a referral to a professional member of such society, fails to disclose the nature of any disciplinary action of which it has actual knowledge taken by a state licensing agency against that professional member. However, there shall be no duty to disclose a disciplinary action in either of the following cases:

(1) Where a disciplinary proceeding results in no disciplinary action being taken against the professional to whom a member of the public was referred; or

(2) Where a period of three years has elapsed since the professional to whom a member of the public was referred has

satisfied any terms, conditions, or sanctions imposed upon such professional as disciplinary action; except that if the professional is an attorney, there shall be no time limit on the duty to disclose.

SEC. 2. Section 43.95 of the Civil Code is amended to read:

43.95. (a) There shall be no monetary liability on the part of, and no cause of action for damages shall arise against, any professional society or any nonprofit corporation authorized by such society to operate a referral service, or their agents, employees, or members, for referring any member of the public to any professional member of such society or service, or for acts of negligence or conduct constituting unprofessional conduct committed by a professional to whom a member of the public was referred, so long as any of the foregoing persons or entities has acted without malice, and the referral was made at no cost added to the initial referral fee as part of a public service referral system organized under the auspices of the professional society. Further, there shall be no monetary liability on the part of, and no cause of action for damages shall arise against, any professional society for providing a telephone information library available for use by the general public without charge, nor against any nonprofit corporation authorized by such society for providing a telephone information library available for use by the general public without charge. "Professional society" includes legal, psychological, architectural, dental, dietetic, accounting, optometric, podiatric, pharmaceutic, chiropractic, veterinary, licensed marriage, family, and child counseling, licensed clinical social work, and engineering organizations having as members at least a majority of the eligible persons or licentiates in the area served by the particular society, or organizations with referral services which have been authorized by the State Bar of California and operated in accordance with its Minimum Standards for a Lawyer Referral Service in California, and organizations which have been established to provide free assistance or representation to needy patients or clients.

(b) This section shall not apply whenever the professional society, while making a referral to a professional member of such society, fails to disclose the nature of any disciplinary action of which it has actual knowledge taken by a state licensing agency against that professional member. However, there shall be no duty to disclose a disciplinary action in either of the following cases:

(1) Where a disciplinary proceeding results in no disciplinary action being taken against the professional to whom a member of the public was referred; or

(2) Where a period of three years has elapsed since the professional to whom a member of the public was referred has satisfied any terms, conditions, or sanctions imposed upon such professional as disciplinary action; except that if the professional is an attorney, there shall be no time limit on the duty to disclose.

SEC. 3. Section 2 of this bill incorporates amendments to Section 43.95 of the Civil Code proposed by both this bill and AB 2858. It shall only become operative if (1) both bills are enacted and become

effective on January 1, 1987, (2) each bill amends Section 43.95 of the Civil Code, and (3) this bill is enacted after AB 2858, in which case Section 1 of this bill shall not become operative.

CHAPTER 438

An act to repeal and add Article 2 (commencing with Section 36631) of Chapter 1 of Part 3 of Division 15 of the Food and Agricultural Code, relating to milk.

[Approved by Governor July 22, 1986 Filed with Secretary of State July 22, 1986]

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

SECTION 1. Article 2 (commencing with Section 36631) of Chapter 1 of Part 3 of Division 15 of the Food and Agricultural Code is repealed.

SEC. 2. Article 2 (commencing with Section 36631) is added to Chapter 1 of Part 3 of Division 15 of the Food and Agricultural Code, to read:

Article 2. Temporary Standards

36631. (a) The Legislature intends that the director administer this article to accommodate, in a timely fashion, new, safe, and wholesome dairy products.

(b) This article applies to products resembling milk products that are processed and sold pursuant to Chapter 6 (commencing with Section 38901) and all milk and dairy products processed and sold pursuant to this division. This article does not apply to any of the following:

(1) Combination milk and food products processed and sold pursuant to regulations adopted pursuant to Article 3 (commencing with Section 36661).

(2) Special varieties of cheese processed and sold pursuant to regulations adopted pursuant to Section 37402.

36632. Upon the request of any interested person, the director may, following a properly noticed hearing, grant a temporary standard for a new milk product for an initial period of one year. However, in no case shall a temporary standard be granted for a product for which a definition and standard was contained in a bill which was not enacted during the immediately preceding session of the Legislature. A hearing called pursuant to this section shall be by written brief, unless an oral hearing is specifically requested by an interested person.

The petition shall include a proposed definition, standard, nomenclature, and label for the new product. The petition shall also

address the relation between the proposed product and existing definitions and standards established for comparable products.

36633. (a) A hearing called pursuant to this article shall be for the following purposes:

(1) Establishing if the product proposed for a temporary standard qualifies as a new dairy product.

(2) Evaluating the appropriateness of the proposed product definition, standard, nomenclature, and label offered by the petitioner.

(b) Following the hearing, the director shall evaluate the temporary standard request on the basis of all of the following:

(1) Testimony submitted by all interested persons.

(2) The health and safety conditions under which the proposed product will be processed and distributed.

(3) Existing definitions and standards which are established for comparable products.

(c) In granting a temporary standard, the director shall establish an appropriate definition and nomenclature as well as quality and labeling requirements applicable to the permitted product.

36634. The processing of a petition for a temporary standard shall conform to the following schedule:

(a) Notice of the requested hearing or denial thereof shall be announced by the director within 21 days after receipt of a temporary standard petition.

(b) A hearing called pursuant to this section shall be held not later than 60 days following receipt of a temporary standard petition.

(c) The petitioner for a temporary standard shall be notified of the director's decision on the request not later than 30 days following the hearing. The director's decision to grant a temporary standard shall take effect immediately, with subsequent review and approval by the Office of Administrative Law as provided in Section 36637.

36635. An unsuccessful petitioner for a temporary standard may repetition not earlier than 60 days following written notification of the denial of the original temporary standard request, if the proposed definition and standard have been modified in the interim or other conditions have changed so that a favorable ruling by the director might reasonably be expected.

36636. A temporary standard granted pursuant to this article may be renewed for a period of one year if the director determines that the renewal is necessary to adequately assess the market potential of the product. A second renewal of a temporary standard may be granted at the discretion of the director, except that in no case shall the second renewal be granted if legislation intended to permanently establish a standard and definition for the product currently being marketed pursuant to a temporary standard has not been introduced during the term of the standard.

The maximum duration of a temporary standard, including any renewals, shall not exceed three years.

36637. Upon granting a petition under this article, the director

shall adopt the standard as an emergency regulation pursuant to Chapter 3.5 (commencing with Section 11340) of Chapter 3.5 of Part 1 of Division 3 of Title 2 of the Government Code. For the purposes of that chapter, any regulations adopted shall be deemed to be necessary for the immediate preservation of the public peace, health and safety, or general welfare.

CHAPTER 439

An act to add Article 3.5 (commencing with Section 39160) to Chapter 2 of Part 23 of the Education Code, relating to private school buildings.

[Approved by Governor July 22, 1986 Filed with Secretary of State July 22, 1986]

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

SECTION 1. Article 3.5 (commencing with Section 39160) is added to Chapter 2 of Part 23 of the Education Code, to read:

Article 3.5. Earthquake Construction of Private Schools

39160. This article shall be known and may be cited as the Private Schools Building Safety Act of 1986.

39161. The Legislature finds and declares all of the following:

(a) Most of California is subject to potentially devastating, large-magnitude earthquakes.

(b) Earth scientists estimate that there is a greater than 50-percent probability that one or more damaging earthquakes will occur in California between now and the end of the century.

(c) Not all students of private schools enjoy the same or equivalent earthquake safety as is afforded to students of public schools by the Field Act and other legislation.

(d) Modifications of building design, plan checking, and inspection procedures can offer increased protection to private school students.

39162. It is the intent of the Legislature that children attending private schools be afforded life safety protection similar to that of children attending public schools by having all of the following:

(a) Private school structures designed and constructed in a manner that minimizes fire hazards and resists the forces generated by earthquakes, gravity, and winds to the extent necessary to ensure the safety of occupants.

(b) The structural systems and details set forth in working drawings and specifications carefully reviewed by responsible enforcement agencies using qualified personnel, and the construction process carefully inspected.

(c) Procedures for the design and construction of private school structures to be subjected to qualified design review and construction inspection.

(d) Nonstructural components, including, but not limited to, ceiling systems, electrical equipment, and mechanical equipment given adequate consideration during the design and construction process to assure that they will not detract from occupant safety in the event of an earthquake.

39163. For the purposes of this article:

(a) "Construction or alteration" means any construction of, addition to, reconstruction of, or structural alteration to any private school structure.

(b) "Enforcement agency" means the agency of a city, city and county, or county responsible for building safety within its jurisdiction.

(c) "Private school structure" means any building used for educational purposes through the 12th grade by 50 or more persons for more than 12 hours per week or 4 hours in any one day. Any structure owned or operated by a public school district shall not be affected by this article.

(d) "Structural engineer" means a person authorized to use the title of structural engineer under Chapter 7 (commencing with Section 6700) of Division 3 of the Business and Professions Code.

(e) "Engineer of record" means the architect, if no structural engineer or civil engineer has been retained for the structural design.

(f) "Electrical engineer" means an electrical engineer, as defined in Section 6702.1 of Chapter 7 of Division 3 of the Business and Professions Code.

(g) "Mechanical engineer" means a mechanical engineer, as defined in Section 6702.2 of Chapter 7 of Division 3 of the Business and Professions Code.

(h) "Qualified inspector" means a person who is currently certified by the International Conference of Building Officials or who has demonstrated his or her competence to the satisfaction of the enforcement agency as having expertise and experience in the particular type of construction or operation requiring inspection.

39164. The appropriate enforcement agency that meets the requirements of Sections 39171 and 39172 shall review the design and inspect the construction, reconstruction, structural alteration, or addition to any private school structure to the extent necessary to ensure that drawings and specifications comply with the applicable sections of the Uniform Building Code and to ensure that construction work has been performed in accordance with the approved drawings and specifications, and the provisions of this article.

39165. Private school structures of one-story Type V and Type II N Construction, as defined by the Uniform Building Code, that are 2,000 square feet or less in floor area are exempt from the provisions

of this article.

39166. (a) Prior to adopting any drawings or specifications for the private school structure, the governing board, authority, owner, corporation, or other agency proposing to construct any private school structure shall submit the design calculations, drawings, and specifications of the private school structure to the appropriate enforcement agency. The enforcement agency shall stamp the drawings and specifications if the construction or alteration is approved by the enforcement agency. Included with the stamp shall be the signature of the qualified person referred to in Sections 39173 and 39174.

(b) The provisions of this section are not applicable to private school construction or alteration contracts entered into prior to July 1, 1987.

39167. The application for approval of the drawings and specifications for private school structures shall be accompanied by comprehensive and complete drawings, design calculations, specifications, and a soil analysis at a level of detail appropriate to the proposed structure and site, all of which shall comply with the requirements prescribed by the enforcement agency. This review shall not preclude incremental submission and approval of drawings and specifications.

39168. The enforcement agency shall approve or reject all drawings and specifications for the construction or alteration of private school structures and in doing so shall review the submitted design calculations, drawings, and specifications to ensure compliance with the requirements of this article. A record shall be kept by the enforcement agency indicating that design calculations, drawings, and specifications have been reviewed and conform with the applicable sections of the Uniform Building Code.

39169. All drawings and specifications shall be prepared under the responsible charge of an architect, civil engineer, or structural engineer, who shall sign all drawings and specifications that are to be approved by the enforcement agency. Observation of the work of construction shall be under the general responsible charge, as defined by Section 6703 of Chapter 7 of Division 3 of the Business and Professions Code, of the architect, civil engineer, or structural engineer who signed the drawings, except that drawings and specifications not involving architectural or structural conditions may be prepared and the construction work may be administered by a registered professional engineer qualified in the branch of engineering that is appropriate to the drawings, specifications, estimates, and construction work.

If the architect, civil engineer, or structural engineer is unable to exercise general responsible charge of construction another architect, civil engineer, or structural engineer shall be retained to exercise general responsible charge of construction.

39170. Except as provided in Section 39166, on or after July 1, 1987, construction of a private school structure shall not commence

unless the structure's drawings and specifications comply with the provisions of this article and the requirements prescribed by the enforcement agency, and approval of those drawings and specifications has been obtained from the enforcement agency.

39171. During construction or alteration of a private school structure, the building owner shall provide for, and the local enforcement agency shall require, special inspection by a qualified inspector when needed, as determined by the local enforcement agency. Continuous inspection is not required.

39172. An enforcement agency is qualified to undertake the review of plans, drawings, and specifications for a private school structure if the enforcement agency has a structural engineer, either on its staff or under contract, that is responsible for all design review conducted by the enforcement agency and the record prepared under Section 39168.

39173. A jurisdiction whose enforcement agency does not meet the qualifications specified in Sections 39171 and 39172 shall obtain necessary qualified personnel to meet the requirements of this article by contracting with other public agencies, private sector firms, or individuals qualified to perform the necessary services.

39174. During the construction of a private school structure, the enforcement agency shall require the engineer of record responsible for the structural design, or that engineer's authorized representative, to make periodic reviews of construction at the construction site to observe compliance with the approved structural plans, specifications, and change orders. The engineer of record in general responsible charge of the work of construction, and the registered professional engineer shall make a report, duly verified by him or her through periodic review of construction, showing that the work done during the period covered by the report has been performed and that the materials used and installed are in accordance with the approved drawings and specifications. Any detailed statements of fact required by the enforcement agency shall be included. These observations and statements shall not be relied upon by others as acceptance of the work, nor shall they be construed to relieve the contractor in any way of his or her obligations and responsibilities under the construction contract.

"Periodic review of construction," as used in this section and as applied to the architect, civil engineer, structural engineer, or the registered professional .engineer, means the knowledge that is obtained from periodic visits of reasonable frequency to the project site for the purpose of general observation of the work. It also means the knowledge that is obtained from the reporting of others as to the progress of the work, testing of materials, inspection, and superintendence of the work that is performed between those periodic visits of the architect, civil engineer, or structural engineer, or the registered engineer. The exercise of reasonable diligence to obtain the facts is required. "Periodic review of construction" does not include responsiblity for superintendence of construction

processes, site conditions, operations, equipment, personnel, or maintenance of a safe place to work or any safety in, on, or about the site of work.

39175. Prior to the issuance of a Certificate of Occupancy, the engineer of record shall state in writing to the enforcement agency that, in exercising his or her reasonable professional judgment and to the best of his or her knowledge, information, and belief, the private school structure was constructed in substantial conformity with the approved plans and specifications.

39176. Any person who willfully violates this chapter is guilty of a misdemeanor.

SEC. 2. No reimbursement shall be made from the State Mandates Claims Fund pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code for costs mandated by the state pursuant to this act. It is recognized, however, that a local agency or school district may pursue any remedies to obtain reimbursement available to it under Part 7 (commencing with Section 17500) and any other provisions of law.

CHAPTER 440

An act to amend Sections 19802, 19807, and 19809 of, and to add Sections 19809.1 and 19809.2 to, the Business and Professions Code, relating to gaming clubs.

[Approved by Governor July 22, 1986 Filed with Secretary of State July 22, 1986]

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

SECTION 1. Section 19802 of the Business and Professions Code is amended to read:

19802. As used in this chapter:

(a) "Legal gambling or gaming" means any card game played for currency, check, credit or any other thing of value which is not prohibited and made unlawful by Chapter 9 (commencing with Section 319) or Chapter 10 (commencing with Section 330) of Title 9 of Part 1 of the Penal Code or by local ordinance.

(b) "Gaming club" means any establishment where legal gambling as defined in subdivision (a) is conducted.

(c) "Person" means any member, stockholder, officer, director, partner, principal, associate, individual, or combination thereof holding any direct or indirect financial interest in a gaming club, or who has the power to exercise influence over the operation of the club.

(d) "Conviction" means a plea or verdict of guilty or a conviction following a plea of nolo contendere. Any action which the Attorney General takes following a conviction may be taken when the time for

appeal has elapsed, or the judgment of conviction has been affirmed on appeal or when an order granting probation is made suspending the imposition of sentence, irrespective of a subsequent order under the provisions of Section 1203.4 of the Penal Code. The record of conviction of the crime shall be conclusive evidence of the fact that the conviction occurred, but only of that fact, and the Attorney General may inquire into the circumstances surrounding the commission of the crime in order to fix the degree of discipline or to determine if the conviction is substantially related to the qualifications, functions, and duties of the registrant in question.

SEC. 2. Section 19807 of the Business and Professions Code is amended to read:

19807. (a) The Attorney General shall provide forms, which are to be completed under penalty of perjury, to obtain information to identify the persons applying for registration including, but not limited to, the individual's name, address, identification numbers and other data prescribed by the Attorney General, and the specific gaming club or clubs involved and any relevant information pertaining to other persons as defined in subdivision (c) of Section 19802 affiliated with the gaming club or clubs. Applicants for registration who have or will have an ownership or management interest in any gaming club shall submit full financial statements, as prescribed by rule and regulation, and which shall include a statement of any interest in any other business. The applicant shall submit a statement under penalty of perjury that no person, other than those disclosed in the application, shall have any ownership control or other financial interest in the gaming club.

(b) If any of the information submitted by an applicant or registrant changes, the applicant or registrant shall promptly notify the Attorney General. The Attorney General may deny a change in ownership for any of the reasons set forth in Section 19809.

(c) Applications for registration by individuals who owned, operated, or had financial interest in gaming clubs on or before January 1, 1983, and all applications to renew registrations granted pursuant to this chapter, shall be acted upon within 60 days after the applicant submits a completed application form. All other applications shall be completed within 180 days of submission of a completed application form. The Attorney General may issue a conditional registration in order to allow sufficient time to complete background investigations without causing undue hardships to applicants involved in the gaming industry. If no action is taken within the time allowed, the application shall be deemed granted.

SEC. 3. Section 19809 of the Business and Professions Code is amended to read:

19809. (a) An application for registration may be denied if the person:

(1) Is under the age of 18 years.

(2) Makes a false statement required to be revealed in an application for registration issued pursuant to this chapter or any

application made for permission to conduct a gaming club to a local authority.

(3) Has been convicted of a crime punishable as a felony.

(4) Has engaged in an act involving dishonesty charged or chargeable as a criminal offense relating to the acquisition of ownership or the operation of a gaming club, or has been convicted of an offense involving dishonesty.

(5) Has engaged in bookmaking or other illegal gambling activities or has been convicted of an offense involving such activities.

(6) Has any financial or other interest in any business or organization outside the State of California which is engaged in any form of gambling or gaming not authorized by the laws of this state.

(7) Has been issued a conditional registration and commits any act which would be grounds for suspension or revocation under Section 19810.

(b) The Attorney General may impose any condition upon registration reasonably necessary for implementation of this chapter.

(c) Denial of an application for any of the reasons specified in subdivision (a) shall not preclude the Attorney General or local enforcement agencies from filing criminal charges for any act done in making the application or for any act which is a ground for denial of a registration, which act might otherwise constitute a public offense.

SEC. 4. Section 19809.1 is added to the Business and Professions Code, to read:

19809.1. Notwithstanding any other provision of law, the Attorney General, or his or her representative, may require an applicant for registration to reveal the facts and circumstances of any arrest for illegal gambling activities, or any act of dishonesty, regardless of whether or not the arrest resulted in a conviction.

SEC. 5. Section 19809.2 is added to the Business and Professions Code, to read:

19809.2. Notwithstanding any other provision of law, an investigation of an applicant's qualifications for registration may include review of his or her criminal history information pursuant to Sections 11105 and 13300 of the Penal Code, including records of arrests which did not result in conviction.

SEC. 6. The amendments to Section 19809 of the Business and Professions Code made by this act shall only be applicable with respect to acts committed on or after January 1, 1987.

CHAPTER 441

An act to add Section 31789.13 to the Government Code, relating to county retirement, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 22, 1986. Filed with Secretary of State July 22, 1986]

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

SECTION 1. Section 31789.13 is added to the Government Code, to read:

31789.13. Upon the death of any person while receiving a retirement allowance from the system, the board of retirement may supplement the sum payable pursuant to Section 31789 by an amount of two hundred fifty dollars ($250) from the surplus earnings established pursuant to Section 31592.2.

This section applies to every retiree who dies after this section becomes operative whether retired before or after the operative date of this section.

This section shall not become operative in any county until such time as the board of retirement determines that this supplemental benefit can be financed from the surplus earnings established pursuant to Section 31592.2 which exceed 1 percent of the total assets of the retirement system.

The total of the death benefits paid pursuant to Section 31789 and this section shall not exceed one thousand dollars ($1,000). The death benefits payable pursuant to Section 31789 and this section shall be paid only by the system which is subject to Section 31789 and this section and in which the member rendered his or her last service.

SEC. 2. No reimbursement shall be made from the State Mandates Claims Fund pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code for costs mandated by the state pursuant to this act. It is recognized, however, that a local agency or school district may pursue any remedies to obtain reimbursement available to it under Part 7 (commencing with Section 17500) and any other provisions of law.

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

In order for the benefits of this act to be implemented at the earliest possible date, it is necessary that this act take effect immediately.

CHAPTER 442

An act to amend Sections 18012.3, 18029.3, 18029.5, 18045.6, and 18063.8 of, to add Sections 18026.1 and 18045.8 to, and to repeal Section 18001.3 of, the Health and Safety Code, relating to the Mobilehomes-Manufactured Housing Act of 1980.

[Approved by Governor July 22, 1986 Filed with Secretary of State July 22, 1986]

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

SECTION 1. Section 18001.3 of the Health and Safety Code is repealed.

SEC. 2. Section 18012.3 of the Health and Safety Code is amended to read:

18012.3. "Sale" or "sold," for purposes of Chapter 8 (commencing with Section 18075) does not include or extend to any sale made by a manufacturer or a distributor to a dealer or by a dealer to another dealer licensed under this part.

SEC. 3. Section 18026.1 is added to the Health and Safety Code, to read:

18026.1. Units sold to the federal government for use on federal lands are exempt from the requirements of Sections 18025 and 18026.

SEC. 4. Section 18029.3 of the Health and Safety Code is amended to read:

18029.3. Any manufactured home, mobilehome, vehicle, or transportable structure manufactured, remanufactured, altered, used, or converted for use as a commercial coach or special purpose commercial coach shall comply with this part and the regulations adopted thereunder relating to insignia and inspection requirements, construction, fire safety, electrical, heating, mechanical, plumbing, occupancy, and energy conservation.

SEC. 5. Section 18029.5 of the Health and Safety Code is amended to read:

18029.5. (a) The department may adopt rules and regulations, which it determines to be reasonably consistent with generally recognized fire protection standards, governing conditions relating to the prevention of fire or for the protection of life and property against fire in manufactured homes, mobilehomes, recreational vehicles, special purpose commercial coaches, and commercial coaches. All manufactured homes and mobilehomes manufactured on or after June 15, 1976, shall comply with the National Manufactured Housing Construction and Safety Act of 1974 (42 U.S.C., Sec. 5401, et seq.).

(b) The chief fire official of every city, county, city and county, fire protection district, or other local fire protection agency shall file a report on each manufactured home and mobilehome fire occurring within his or her jurisdiction with the State Fire Marshal. The report

shall be made on forms provided by the State Fire Marshal.

(c) The State Fire Marshal shall annually compile a statistical report on all manufactured home and mobilehome fires occurring within this state and shall furnish the department with a copy of the report. The annual report shall include, but need not be limited to, the number of manufactured home and mobilehome fires, the causes of the fires, the monetary loss, and any casualties or fatalities resulting from the fires.

SEC. 6. Section 18045.6 of the Health and Safety Code is amended to read:

18045.6. (a) (1) If the manufacturer, distributor, or dealer changes the site or location of his or her established place of business, the manufacturer, distributor, or dealer shall immediately, upon making the change, so notify the department. If a manufacturer, distributor, or dealer for any reason whatsoever, ceases to be in possession of an established place of business from and on which he or she conducts the business for which the manufacturer, distributor, or dealer is licensed, he or she shall immediately notify the department and, upon demand by the department, shall deliver to the department the manufacturer's, distributor's, or dealer's license and all relevant records in his or her possession.

(2) The department may place a manufacturer, distributor, or dealer license on an inactive status upon application of the licensee. An inactive license shall remain valid for six months or for the remaining term of the original license, whichever is less.

(b) If the dealer changes to, or adds, another franchise for the sale of new manufactured homes, mobilehomes, or commercial coaches, or cancels, or, for any cause whatever, otherwise loses a franchise for the sale of new manufactured homes, mobilehomes, or commercial coaches, he or she shall immediately so notify the department.

(c) A dealer's established place of business shall have posted in a place conspicuous to the public the license issued by the department to the dealer and to each salesperson employed by the dealer.

(d) (1) Notwithstanding Section 18050 and this section, a dealer may display manufactured homes, mobilehomes, or commercial coaches at a fair, exposition, or similar exhibit for no more than 30 days. As used in this section, "mobilehome fair or exposition" means a display of manufactured homes, mobilehomes, or commercial coaches not limited to one dealer and not in a mobilehome park.

(2) New manufactured homes or mobilehomes, installed pursuant to Section 18613, may also be displayed and sold within a mobilehome park or mobilehome subdivision by dealers. A display home may be used and equipped only for the sale of the displayed home and shall be used as an established place of business.

(e) The display area required by subdivision (b) of Section 18045.5, shall not apply to any dealers' secondary locations located outside of mobilehome parks or subdivisions selling only used manufactured homes, mobilehomes, and commercial coaches.

(f) All manufactured homes, mobilehomes, or commercial

coaches displayed pursuant to subdivision (d) or (e) shall be identified by a sign or device providing information relating to the dealer's name and the location and address of the dealer's established place of business and any other information that is required by the department.

(g) The display area and office required by subdivision (b) of Section 18045.5 shall not apply to a display location consistent with the provisions of subdivision (d).

SEC. 7. Section 18045.8 is added to the Health and Safety Code, to read:

18045.8. (a) Notwithstanding Section 18045.5, for an office at a dealer's established place of business, the department may issue a temporary permit as provided in Section 18052.

(b) When a dealer's license applicant has satisfied all other requirements for a dealer's license, as provided in this part and the regulations adopted pursuant thereto, except for the office, and the applicant proposes to purchase a new manufactured home, mobilehome, or commercial coach for use as the required office, the temporary permit shall be canceled automatically if the dealer's license applicant does not purchase a new manufactured home, mobilehome, or commercial coach and establish it as the required office, or otherwise establish a complying office, within 60 days of the temporary permit issuance date.

SEC. 8. Section 18063.8 of the Health and Safety Code is amended to read:

18063.8. The department may refuse to issue a decal pursuant to subdivision (b) of Section 18054, or, after notice and hearing, may revoke or suspend the privilege of utilizing a decal, if any of the following occurs or exists:

(a) The transporter's certificated authority from the Public Utilities Commission to act as a transporter is revoked, is suspended, or does not meet other Public Utilities Commission requirements.

(b) The transporter or licensee moves a manufactured home, mobilehome, or commercial coach subject to registration pursuant to this part from a mobilehome park or other site of installation to another location without obtaining a signed legal consent form, as required by subdivision (a) of Section 18099.5.

(c) The transporter or licensee uses the decal for anything other than the transportation of a manufactured home, mobilehome, or commercial coach on the streets or highways.

SEC. 9. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs which may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, changes the definition of a crime or infraction, changes the penalty for a crime or infraction, or eliminates a crime or infraction.

CHAPTER 443

An act to amend Sections 65919, 65919.1, 65919.2, 65919.3, 65919.4, 65919.5, 65919.6, 65919.7, 65919.8, 65919.9, and 65919.10 of the Government Code, relating to land use.

[Approved by Governor July 22, 1986. Filed with Secretary of State July 22, 1986.]

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

SECTION 1. Section 65919 of the Government Code is amended to read:

65919. As used in this chapter the following terms mean:

(a) "Affected city" means a city within whose planning review area an affected territory is located.

(b) "Affected territory" means an area of land located in the unincorporated portion of a county which is the subject on one or more proposed actions.

(c) "Proposed action" means a proposal to adopt or amend all or part of a general or specific plan or to adopt or amend a zoning ordinance, but does not include action taken by an ordinance which became effective immediately pursuant to subdivision (b) or (d) of Section 25123 or pursuant to Section 65858.

(d) "Planning review area" means the territory included in a general plan or in any specific plan of a city or county. A planning review area in the case of a city shall not extend beyond whichever of the following includes the largest area and, in the case of a county, shall not extend beyond the territory described in paragraphs (2) or (3), whichever includes the largest area:

(1) The area included within the sphere of influence of the city.

(2) A radius of one mile outside the boundary of the city which area shall not include any territory within the sphere of influence of another city.

(3) An area which is agreed upon and designated by a county and a city within the county.

SEC. 2. Section 65919.1 of the Government Code is amended to read:

65919.1. A county and a city may agree upon a procedure for referral by the county to the city or by the city to the county of proposed actions and for comment upon those proposals. In the absence of that agreement, the procedures prescribed by this chapter shall be followed.

SEC. 3. Section 65919.2 of the Government Code is amended to read:

65919.2. A city which desires referrals from a county or a county which desires referrals from a city pursuant to this chapter shall file with the county or the city, as the case may be, a map or other appropriate document which indicates the portion of the county or

the city, as the case may be, in its planning review area.

SEC. 4. Section 65919.3 of the Government Code is amended to read:

65919.3. Except as otherwise provided in Section 65919.10, before the board of supervisors acts on a proposed action, the county shall refer the proposed action to each affected city, and before the city council acts on a proposed action, the city shall refer the proposed action to the county, in accordance with the procedure set forth in Sections 65919.4 and 65919.5.

SEC. 5. Section 65919.4 of the Government Code is amended to read:

65919.4. (a) Not later than the date the county notices the public hearing on a proposed action before the county planning commission, the county shall notify an affected city of the nature of the proposed action.

(b) Not later than the date the city notices the public hearing on a proposed action before the city planning commission, the city shall notify the county of the nature of the proposed action.

(c) The information in the notification shall not be less than the information contained in the notice of public hearing. The notification required by this section and by Section 65919.8 shall be given by first-class mail or by hand delivery. The notice shall also indicate the earliest date on which the board of supervisors or city council, as the case may be, can act on the proposed action or the modification to the proposed action.

SEC. 6. Section 65919.5 of the Government Code is amended to read:

65919.5. The board of supervisors or city council to which the proposed action is referred pursuant to Section 65919.3 shall have 45 days from the date the county or city, as the case may be, mails or delivers the proposed action, or such longer time as the county or city, as the case may be, specifies or allows at the request of the affected city or county, as the case may be, to review and to comment and to make recommendations on the consistency of the proposed action with applicable general and specific plans and zoning ordinances of the affected city or county. If the affected city or county does not provide the comments and recommendations to the referring county or city within the 45-day period, or such longer time as the referring county or city has specified or allowed at the request of the affected city or county, the board of supervisors or city council may act without considering those comments.

If the affected city or county provides the comments and recommendations prior to the time that the planning commission acts on the proposed action, the planning commission shall also consider the comments and recommendations.

SEC. 7. Section 65919.6 of the Government Code is amended to read:

65919.6. Before acting upon a proposed action, the county shall consider comments and recommendations received from each

affected city and the city shall consider comments and recommendations received from the county.

SEC. 8. Section 65919.7 of the Government Code is amended to read:

65919.7. If the board of supervisors or city council modifies and refers a proposed action back to the planning commission pursuant to Section 65356 or 65857, the board of supervisors or city council, as the case may be, shall at the same time refer the modification to the proposed action to each affected city or county in accordance with Sections 65919.8 and 65919.9.

SEC. 9. Section 65919.8 of the Government Code is amended to read:

65919.8. The referral shall reasonably describe the modification to the proposed action. Any city or county to which the modification is referred shall have 25 days from the date of the referral, or such longer time as the referring county or city specifies or allows at the request of the affected city or county, to review and to comment and to make recommendations on the consistency of the proposed action with applicable general and specific plans and zoning ordinances of the affected city or county. If the affected city or county does not provide the comments and recommendations to the referring county or city within the 25-day period, or such longer time as the referring county or city has specified or allowed at the request of the affected city or county, the board of supervisors or city council may act without considering those comments.

If the affected city or county provides the comments and recommendations prior to the time that the planning commission acts on the proposed action, the planning commission shall also consider the comments and recommendations.

If the planning commission fails to act, the modification may become effective pursuant to Section 65356 or 65857, without consideration of the comments and recommendations.

SEC. 10. Section 65919.9 of the Government Code is amended to read:

65919.9. Prior to acting on the modification, the board of supervisors shall consider the comments and recommendations received from each affected city and the city council shall consider the comments and recommendations from the county.

SEC. 11. Section 65919.10 of the Government Code is amended to read:

65919.10. If the proposed action is a change in a zoning ordinance, the county or city need not refer the zoning proposal to an affected city or county, as the case may be, if the zoning proposal is consistent with the general plan and the general plan proposal was referred and acted upon pursuant to Sections 65919.4 to 65919.9, inclusive, as applicable.

SEC. 12. Reimbursement to local agencies and school districts for costs mandated by the state pursuant to this act shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of

Title 2 of the Government Code and, if the statewide cost of the claim for reimbursement does not exceed five hundred thousand dollars ($500,000), shall be made from the State Mandates Claims Fund.

CHAPTER 444

An act to add Section 14680.8 to the Government Code, relating to state property, and making an appropriation therefor.

[Approved by Governor July 22, 1986 Filed with Secretary of State July 22, 1986]

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

SECTION 1. Section 14680.8 is added to the Government Code, to read:

14680.8. (a) The Department of General Services shall conduct a state property management demonstration project within a defined geographic region to be determined by the department. The federal and local governments may add funds to the total amount the state makes available for consulting fees in exchange for the consultant's analysis of the market value of locally or federally owned public buildings and the consultant's evaluation of opportunities to adopt proactive assets management procedures and strategies with respect to those properties.

(b) In conducting this demonstration project, the department shall, utilizing a request for proposal process, contract with real estate investment and development consultants, alternative public sector financing consultants, and public management and policy consultants, in order to provide all of the following services:

(1) Develop an information base on state-occupied property to include location, size, and present use in leased space, and location, size, present use, and estimated market value of state-owned space.

(2) Identify segments of state-owned properties, such as, by market value, size, geographic region, proximity to commercial development, or historical significance, and recommend an order of priorities in which proactive assets managers should consider disposition or ownership restructuring alternatives.

(3) Describe and analyze in terms of cost and benefits to the state alternatives for selling, exchanging, or restructuring ownership of land or buildings currently owned by the state. These alternatives shall include, but not be limited to, appropriate forms of leveraged leasing.

(4) Enumerate possible options for earning revenue on the state's real estate holdings, including estimates of overall revenue currently foregone due to the lack of proactive assets management, and expected interest earnings on investment of the revenue from sale

of state-owned properties the present use of which is not economical from a proactive assets management point of view.

(5) Develop a proactive assets management methodology, with recommendations structuring cost controls and performance incentives within state government to meet strategic goals, including, but not limited to, all of the following:

(A) To reduce occupancy costs.

(B) To maximize efficiency of space utilization.

(C) To maintain or increase the value of state-owned property.

(D) To maximize revenue from state-controlled property.

(E) To manage property to support and implement state programs and policies, with an emphasis on the utilization of existing state-owned facilities.

(6) Assess the strength of bureaucratic resistance to proactive assets management in state government and suggest means of managing this resistance, including identification of appropriate areas for compromise.

(7) Analyze existing state and federal laws pertaining to proactive assets management options in state government, identify existing legal barriers to proposed alternative models for proactive assets management, and recommend changes in legislation necessary to facilitate the alternatives that would minimize state costs and maximize state revenue.

(8) Analyze the public policy implications of the recommendations for implementation of a proactive assets management approach to state-owned and state-controlled real estate, including, but not limited to, all of the following:

(A) Long-term versus short-term advantages and disadvantages of custodial property management and proactive assets management.

(B) Normalization parameters for public-private partnerships created for the purpose of conducting property management activities on behalf of the state, including an analysis of civil service barriers to contracting for specialized services.

(C) The comparative effectiveness of personal versus institutional incentives for performance of public obligations.

(c) The department shall appoint an advisory committee to assist the department and the consultants utilized under the demonstration project. The advisory committee shall participate in all aspects of the pilot project, including the assistance in the development of the request for proposals, as required under subdivision (a), and reviewing and commenting upon the final recommendations of the consultants prior to submission to the Governor and the Legislature. The department shall invite the federal government and affected local governments to participate in the advisory committee. The advisory committee shall include, but is not limited to, representatives, who shall be either directors or business service officers, of the state agencies that own or occupy property in the designated pilot project area.

(d) The department shall submit to the Legislature and the Governor the final recommendations of the consultants utilized under this section, along with any comments made on those recommendations by the advisory committee created under subdivision (c).

SEC. 2. The sum of one hundred twenty-five thousand dollars ($125,000) is hereby appropriated from the Property Acquisition Law Account to the Department of General Services in order to implement this act.

CHAPTER 445

An act to add Section 224b to the Civil Code, relating to adoption.

[Approved by Governor July 22, 1986 Filed with Secretary of State July 22, 1986.]

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

SECTION 1. Section 224b is added to the Civil Code, to read:

224b. (a) The State Department of Social Services shall establish a statewide photo-listing service which shall serve all licensed adoption agencies in the state as a means of recruiting adoptive families for children who have been legally freed, and whose case plan goal is adoption. The photo-listing service shall maintain a book that, except as provided in this section, contains a photograph and description of each child who has been legally freed, and whose case plan goal is adoption. Registration of children with the photo-listing service and notification by the licensed adoption agency of changes in a child's photo-listing status shall be reflected in the book within 30 working days of receipt of the registration or notification.

(b) The department shall promulgate regulations governing the operations of the photo-listing service and shall establish procedures for monitoring compliance with this section.

(c) The photo-listing service shall be provided to all licensed adoption agencies; adoption support groups; and state, regional, or national photo-listings or exchanges requesting copies of the photo-listing service.

(d) All legally freed children for whom adoption is the case plan shall be photo-listed, unless deferred as in subdivision (e) or (f). Licensed adoption agencies shall send a recent photograph and description of each legally freed child to the photo-listing service within 15 working days of the time a child is legally freed for adoption. When adoption has become the plan for a particular child, the agency may photo list that child prior to the child's becoming legally freed for adoption.

(e) A child shall be deferred from the photo-listing service when that child's foster parents or other identified individuals have applied

to adopt the child and their applications have not yet been processed by the adoption agency.

(f) A child who is 12 years old, or older, may be deferred from the photo-listing service if the child does not consent to being adopted.

Children who are not listed for the reason specified in subdivision (e) shall be listed with the photo-listing service within 60 working days of the date the child was legally freed, unless a notice of adoptive placement has been filed.

(g) The department shall establish procedures for semiannual review of the photo-listing status of all legally freed children whose case plan goal is adoption, including those who are registered with the photo-listing service and those whose registration has been deferred.

(h) Within 15 working days following a one-year period in which a child is listed in the book, the agency shall submit a revised description and photograph of that child.

(i) Licensed adoption agencies shall notify the photo-listing service, by telephone, of any adoptive placements or of significant changes in the child's photo-listing status within two working days of that change.

(j) This section does not apply to independent or intercountry adoptions.

SEC. 2. Pursuant to Section 17579 of the Government Code, the Legislature finds that there is no mandate contained in this act which will result in costs incurred by a local agency or school district for a new program or higher level of service which require reimbursement pursuant to Section 6 of Article XIII B of the California Constitution and Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

CHAPTER 446

An act to add and repeal Chapter 8.5 (commencing with Section 9650) of Part 1 of Division 8.5 of the Welfare and Institutions Code, relating to respite care services, and making an appropriation therefor.

[Approved by Governor July 22, 1986 Filed with Secretary of State July 22, 1986.]

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

SECTION 1. Chapter 8.5 (commencing with Section 9650) is added to Part 1 of Division 8.5 of the Welfare and Institutions Code, to read:

CHAPTER 8.5. RESPITE CARE SERVICES

9650. The Legislature finds and declares all of the following:

(a) Sixty to 80 percent of the care provided frail elderly persons and functionally impaired adults is delivered by family members or friends who are not paid for their services.

(b) These caregivers provide 24-hour care in the home, and are under substantial physical, psychological, and financial stress.

(c) Without assistance in the form of respite care, the stress these caregivers experience may lead to abuse or neglect of the frail elderly person or functionally impaired adult.

(d) Without respite care, a caregiver may be forced to place his or her loved one in an institution because he or she cannot continue the burden of care alone.

(e) Without respite care, caregivers may suffer deteriorating health or financial impoverishment, and may find themselves in need of health services or institutional placement, often at public expense.

It is the intent of the Legislature, therefore, to establish respite care projects in order to begin to meet the critical need for respite care and to provide data and information on the costs and effectiveness of respite care services in the home or out of the home, and to compare these services when provided through a variety of delivery models.

It is further the intent of the Legislature that projects be designed to determine the extent to which providing financial assistance to clients and caregivers reduces financial impoverishment and prevents them from becoming eligible for public assistance programs.

9651. Respite care projects established pursuant to this chapter shall do all of the following:

(a) Assist caregivers in maintaining the frail elderly or functionally impaired adult at home.

(b) Meet intermittent planned or emergency needs by securing services to relieve the caregiver for a temporary period of time.

(c) Restore or maintain a caregiver's physical or mental well-being or the well-being of the person for whom he or she provides care.

(d) Allow a caregiver or a person in need of care the opportunity for personal time and other necessities or activities of daily life.

(e) Provide or secure support services, such as counseling and information, to assist the caregiver in providing adequate care to a frail elderly person or a functionally impaired adult.

(f) Study the cost effectiveness of providing respite care in a variety of settings, both in home and out of home.

(g) If AB 2391 of the 1985–86 Regular Session is chaptered, projects established pursuant to this chapter shall also develop respite care registries according to the guidelines of AB 2391.

9652. As used in this chapter:

(a) "Caregiver" means a spouse, relative, or friend who has primary responsibility for care of a frail elderly person or functionally impaired adult, and who provides care on a substantially continuous basis, and does not receive financial compensation for this care.

(b) "Frail elderly adult" means a person at least 60 years of age or older who is at risk of institutional placement due to chronic physical and mental limitations which restrict his or her ability to independently perform personal and instrumental activities of daily living.

(c) "Functionally impaired adult" means an individual who is at least 18 years of age, and less than 60 years of age, who is at risk of institutional placement due to chronic physical and mental limitations which restrict his or her ability to independently perform personal and instrumental activities of daily living.

(d) "Personal activities of daily living" means dressing, feeding, toileting, bathing, breathing, transferring, and mobility and associated tasks.

(e) "Instrumental activities of daily living" means shopping, housework, meal preparation and cleanup, laundry, taking of medication, money management, transportation, correspondence, telephoning, and related tasks.

(f) "Respite care" means intermittent or regularly scheduled substitute care of frail elderly or functionally impaired adults with the primary purpose of relieving the caregivers and helping to support them in their constant care responsibilities.

(g) "Department" means the Department of Aging.

(h) "Director" means the Director of the Department of Aging.

(i) "Grantee" means any organization providing services under Section 9390, that applies for funds under this chapter and is chosen by the director, based on criteria established by the department.

9653. The department shall administer two-year projects in respite care. Grantees operating respite care projects funded under this chapter shall provide or arrange for the provision of services with the specific purpose of providing respite for caregivers, both in home and out of home, based on the individual needs of caregivers and clients.

Grants shall be made to at least five sites. At least one allocation shall be made in a rural area.

9653.5. It is the intent of the Legislature to collect data and information on a variety of types of services that can meet the needs for respite care. Grantees shall make referrals to both home care and 24-hour out-of-home placement. The actual services provided shall be determined by the needs of the caregiver, and the level of care requirements of the client.

9654. Grants shall not exceed ten thousand dollars ($10,000) for each site.

9655. The department shall give priority to grantees who:

(a) Demonstrate community support for the project.

(b) Design the project to coordinate with other community

services and to be an integrated component in the community long-term care system.

(c) Design the project to utilize and develop existing services and resources in a creative manner to provide respite care.

9655.5. The department shall consult with the State Department of Health Services and the State Department of Social Services to develop flexibility in regulations applicable to providers under this chapter who are licensed by the State Department of Health Services and the State Department of Social Services, to ensure that temporary care is possible, and that regulatory requirements do not inhibit successful provision of respite care.

9656. A respite care project shall identify existing publicly funded services for which the client may be eligible and these services shall be used, to the extent possible, to provide respite care for the caregiver.

9657. The department shall develop or identify an assessment process to be utilized by the respite care projects to determine a caregiver's need for respite care, and to help respite care projects identify a person who is at risk of institutional placement if his or her caregiver does not receive supportive services. The department may permit client assessments performed by other agencies to satisfy the assessment requirement, in order to avoid duplication of services.

Eligibility for services under this chapter shall be based on a determination by the projects that a client is at risk of institutional placement or there is a potentially serious risk to the caregiver's mental or physical health if they do not receive supportive services.

9658. On or before July 1, 1988, the department shall submit a report to the Legislature on the implementation of this chapter which shall address the following:

(a) The number of persons served by the projects, the types of services provided to them and the actual costs of those services.

(b) An assessment of the demand for respite care services and a description of the services needed to fulfill the intent of this chapter, which were not available and why.

(c) An assessment of the extent to which the services provided in the respite care projects did delay or prevent permanent placement in an intermediate or skilled nursing facility of either clients or caregivers.

(d) Specific identification of any factors which significantly enhance or inhibit the successful provision of respite care.

(e) Recommendations for future funding for respite care services, including, but not limited to, the types of services to be funded, eligibility criteria, and target populations.

The report required by this section may be integrated into the annual report required by the department under the provisions of Chapter 1637 of the Statutes of 1984.

9659. This chapter shall remain in effect until January 1, 1989, and as of that date is repealed, unless a later enacted statute, which becomes effective on or before January 1, 1989, deletes or extends the

dates on which it becomes inoperative and is repealed.

SEC. 2. There is hereby appropriated the sum of fifty thousand dollars ($50,000), without regard to fiscal years, from the General Fund to the Department of Aging for purposes of implementing respite care projects, as provided for under Chapter 8.5 (commencing with Section 9650) of Division 8.5 of the Welfare and Institutions Code.

CHAPTER 447

An act to amend Section 62.1 of the Revenue and Taxation Code, relating to taxation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 22, 1986 Filed with Secretary of State July 22, 1986.]

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

SECTION 1. Section 62.1 of the Revenue and Taxation Code is amended to read:

62.1. Change in ownership shall not include either of the following:

(a) Any transfer, on or after January 1, 1985, of a mobilehome park to a nonprofit corporation, stock cooperative corporation, or other entity, as described in Section 50561 of the Health and Safety Code, formed by the tenants of a mobilehome park for the purpose of purchasing the mobilehome park.

(b) Any transfer or transfers on or after January 1, 1985, and before January 1, 1987, of rental spaces in a mobilehome park to the individual tenants of the rental spaces, provided that (1) at least 51 percent of the rental spaces are purchased by individual tenants renting their spaces prior to purchase, and (2) the individual tenants of these spaces form, within one year after the first purchase of a rental space by an individual tenant, a nonprofit corporation, stock cooperative, or other entity, as described in Section 50561 of the Health and Safety Code, to operate and maintain the park. If, on or after January 1, 1985, and before January 1, 1987, an individual tenant or tenants notify the county assessor of the intention to comply with the conditions set forth in the preceding sentence, any mobilehome park rental space which is purchased by an individual tenant in that mobilehome park during that period shall not be reappraised by the assessor. However, if all of the conditions set forth in the first sentence of this subdivision are not satisfied, the county assessor shall thereafter levy escape assessments for the spaces so transferred. This subdivision shall apply only to those rental mobilehome parks which have been in operation for five years of more.

Subdivision (a) shall remain in effect only until January 1, 1989.

Subdivision (b) shall remain in effect only until January 1, 1987.

SEC. 2. No reimbursement shall be made from the State Mandates Claims Fund pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code for costs mandated by the state pursuant to this act. It is recognized, however, that a local agency or school district may pursue any remedies to obtain reimbursement available to it under Part 7 (commencing with Section 17500) and any other provisions of law.

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

In order to prevent residents of rental mobilehome parks who have purchased their parks from losing their mobilehome spaces, shares, or interests due to the cost of increased property tax assessments, it is necessary that this act take immediate effect.

CHAPTER 448

An act to add Sections 61601.18 and 61765.11 to the Government Code, relating to local agencies, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 22, 1986. Filed with Secretary of State July 22, 1986]

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

SECTION 1. Section 61601.18 is added to the Government Code, to read:

61601.18. Notwithstanding the provisions of Sections 61600 and 61601, whenever the Board of Directors of the Mission Viejo Community Services District determines by resolution that it is feasible, economically sound, and in the public interest for the district to exercise its power for the purpose of funding the activities of the Mission Viejo Municipal Advisory Council, the board shall adopt this additional purpose by resolution entered in the minutes, and the powers of the district may be exercised for this additional purpose. The amount of funding provided by the board to the Mission Viejo Municipal Advisory Council pursuant to this section shall not exceed four thousand dollars ($4,000) in any fiscal year. The board may thereafter divest itself of such power in the same manner as it acquired the power.

SEC. 2. Section 61765.11 is added to the Government Code, to read:

61765.11. Notwithstanding Sections 61621.5 and 61765, in the Smith River Community Services District, the water standby or availability charge shall not exceed forty-eight dollars ($48) per year

or four dollars ($4) per month for each acre of land on which the charge is levied or forty-eight dollars ($48) per year or four dollars ($4) per month for each parcel of land less than one acre.

In fixing and collecting water standby or availability charges, the district shall follow the procedures for fixing and collecting water standby or availability charges set forth in this chapter.

This section, applicable only to the Smith River Community Services District, is necessary because of the unique and special water management and financing problems in the area included within the district.

SEC. 3. The Legislature finds and declares that the Mission Viejo Community Services District has a special need for the power to finance the activities of the Mission Viejo Municipal Advisory Council, because the district is the successor agency to County Service Area No. 9 which previously funded the activities of the Mission Viejo Municipal Advisory Council. The Legislature further finds and declares that a general act cannot be made applicable to this special situation and it is therefore necessary to enact this special act relating to only the Mission Viejo Community Services District.

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

In order to enact timely financial provisions necessary for local agencies, it is necessary that this act take immediate effect.

CHAPTER 449

An act to amend Sections 5871, 5872, 5878.1, 5882, and 5890 of, and to add Section 5305 to, the Streets and Highways Code, relating to improvement acts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 22, 1986 Filed with Secretary of State July 22, 1986]

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

SECTION 1. Section 5305 is added to the Streets and Highways Code, to read:

5305. The legislative body may provide for deferral of payment of assessments in accordance with procedures prescribed by Chapter 8 (commencing with Section 10700) of Division 12.

SEC. 2. Section 5871 of the Streets and Highways Code is amended to read:

5871. (a) This chapter applies to the construction of sidewalks, gutters, pavements, driveways, and curbs, and the installation of storm and sanitary drainage facilities, water mains, pipes, conduits,

tunnels, hydrants, and other necessary works and appliances for providing water service, parkway trees, and street lighting facilities in front of properties in any block where a sidewalk, gutter, pavement, driveway, the installation of storm and sanitary sewer drainage facilities, water mains, pipes, conduits, tunnels, hydrants, and other necessary works and appliances for providing water service, parkway trees, and street lighting facilities, or curb, or all of them, have been previously constructed in front of properties in the block constituting more than 50 percent of the front footage of the block, or where the owners of more than 60 percent of the front footage of the block, as shown by the last equalized assessment roll of the city, file a petition with the city clerk requesting the installation of any of those improvements, or where a petition signed by the owners of more than 60 percent of the front footage of any part of an unimproved portion or portions of a block has been filed with the city clerk requesting the installation of those improvements in front of that part.

(b) This chapter does not apply to the construction of improvements of the type specified in subdivision (a) fronting on, or otherwise adjacent to, or in conjunction with, an arterial or collector street section. For purposes of this section, an "arterial or collector street section" is a street section with more than one traffic lane in each direction either before or after the proposed improvement, or a street section on which more than 70 percent of the average daily vehicle trips do not originate or end within the proposed assessment district.

(c) Notwithstanding subdivision (b), this chapter applies to the construction of sidewalks, curbs, and gutters appurtenant thereto, sufficient paving to provide a parking lane, and to parkway trees and street lighting facilities, but only to the extent that those improvements are in front of the property on arterial or collector street sections, which is otherwise subject to assessment, if the property has not been subject to any other special assessment to pay for construction of sidewalks, curbs, gutters, parking lane paving, parkway trees, or street lighting facilities within the preceding 10 years. As used in this subdivision, "gutters" shall include only above-ground structures appurtenant to sidewalks and curbs.

As used in this subdivision, "parking lane" means a paved area adjacent to the curb which is used exclusively for on-street parking. It does not include any portion of the street used for through traffic or as a bicycle lane. An assessment for parking lane purposes shall not include the cost of any signs necessitated by the parking lane. If property is assessed for a parking lane pursuant to this chapter and the parking lane is subsequently converted to another use, the amount of the assessment paid, together with interest at the prime rate plus 3 percent, shall be paid by the city to the then owner of the property.

(d) This chapter does not apply to driveway construction in front of a vacant lot, or in front of an unimproved property, unless

requested by the owner.

(e) This chapter does not apply to the repair, resurfacing, or maintenance of streets.

(f) As used in this chapter, "sidewalks or curbs" includes "gutters," "driveways," "pavement" to the centerline of the street, "full pavement" in alleys, "storm and sanitary drainage facilities," "water mains," "pipes," " conduits," "tunnels," "hydrants," and "other necessary works and appliances for providing water service," "paving to provide a parking lane on arterial or collector street sections," "parkway trees," and "street lighting facilities;" and "superintendent of streets" includes any other person or persons who may be designated by the legislative body to perform any of the duties of the superintendent of streets set forth in this chapter.

(g) "Fronting" and "facing," as used in this chapter, means "abutting" in the case of property adjoining an alley improvement.

(h) In the case of street lighting, in determining how much of the front footage of a block has been improved, the front footage of property benefiting from existing installations may be included regardless of the side of the street on which the installation has been constructed.

SEC. 3. Section 5872 of the Streets and Highways Code is amended to read:

5872. This chapter constitutes a separate and alternative procedure for performing the work specified herein, and except as otherwise provided in this chapter, no other provision of this division, excepting definitions, shall apply to proceedings instituted hereunder. Chapter 8 (commencing with Section 5220) applies to any proceedings taken under this chapter. The "Special Assessment Investigation, Limitation and Majority Protection Act of 1931" does not apply to proceedings taken under this chapter.

SEC. 4. Section 5878.1 of the Streets and Highways Code is amended to read:

5878.1. The notice shall also specify the day, hour, and place when the legislative body will hear and pass upon objections or protests, if any, which may be raised by any property owner or other interested persons, but in no case shall the hearing be sooner than 10 days after giving of notice. Upon the day and hour fixed for the hearing, the legislative body shall hear and pass upon objections or protests in accordance with Chapter 8 (commencing with Section 5220).

The hearing required by this section is in addition to the hearing required by Section 5881.

SEC. 5. Section 5882 of the Streets and Highways Code is amended to read:

5882. Upon the completion of the construction, the superintendent of streets shall prepare and file with the legislative body a report specifying the work which has been done, the cost of construction, a description of the real property in front of which the work has been done and the assessment against each lot or parcel of land proposed to be levied to pay the cost or portion thereof. The

report may include work done in front of any number of parcels of property, whether contiguous to each other or not. In determining the amount of the assessment against each lot or parcel of land, the superintendent shall assess the same portion of the total cost of the work against each lot or parcel as that parcel will receive of the total benefit from the work.

SEC. 6. Section 5890 of the Streets and Highways Code is amended to read:

5890. The assessments proposed by the superintendent of streets pursuant to Section 5882, as may be amended by the legislative body during the hearing held pursuant to Section 5883, may be confirmed and levied by the legislative body against the parcels of property fronting upon the sidewalks or curbs so constructed, and the cost so assessed, if not paid within five days after its confirmation by the legislative body, shall constitute a special assessment against each of those parcels, and shall be a lien on the property for the amount thereof from the time of recordation of the notice of lien, which lien shall continue until the assessment and all interest thereon is paid, or until it is discharged of record.

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

In order that assessment proceedings which commence during the 1986–87 fiscal year may be conducted pursuant to this act, it is necessary that this act take effect immediately.

CHAPTER 450

An act to add Section 19596.8 to the Business and Professions Code, relating to fairs.

[Approved by Governor July 22, 1986 Filed with Secretary of State July 23, 1986]

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

SECTION 1. Section 19596.8 is added to the Business and Professions Code, to read:

19596.8. Funds allocated by the director pursuant to subdivision (c) of Section 19596.5 for fire and life safety improvement projects, California Administrative Code compliance projects, and long-term maintenance projects at fairs shall be allocated in accordance with a project schedule determined by the department in compliance with this section.

The department shall prepare a three-year schedule of these projects which commences July 1, 1987, and shall annually update the schedule. The initial schedule and the annual updates shall be

submitted to the Legislature. The schedule shall list individual project costs, contain a project description, and specify estimated project completion dates.

CHAPTER 451

An act to amend Sections 48800, 48800.5, and 76001.5 of, and to add Section 84384.1 to, the Education Code, relating to community colleges, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 22, 1986 Filed with Secretary of State July 23, 1986]

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

SECTION 1. Section 48800 of the Education Code is amended to read:

48800. The governing board of any school district may determine which students would benefit from advanced scholastic or vocational work. The intent of this section is to provide educational enrichment opportunities for a limited number of eligible pupils, rather than to reduce current course requirements of elementary and secondary schools. The governing board may authorize those students, upon recommendation of the principal of the school that the pupil attends, and with parental consent, to attend a community college as special part-time students and to undertake one or more courses of instruction offered at the community college level.

The students shall receive credit for community college courses that they complete at the level determined appropriate by the school district and community college district governing boards.

SEC. 2. Section 48800.5 of the Education Code is amended to read:

48800.5. (a) A parent or guardian of any pupil, regardless of the pupil's age or class level, may petition the governing board of the school district in which the pupil is enrolled to authorize the attendance of the pupil at a community college as a special full-time student on the ground that the pupil would benefit from advanced scholastic or vocational work that would thereby be available. If the governing board denies the petition, the pupil's parent or guardian may file an appeal with the county board of education, which shall render a final decision on the petition.

Any pupil who attends a community college as a special full-time student pursuant to this section is exempt from compulsory school attendance under Chapter 2 (commencing with Section 46100) of Part 26.

(b) A parent or guardian of a pupil who is not enrolled in a public school may directly petition the president of any community college

to authorize the attendance of the pupil at the community college as a special part-time or full-time student on the ground that the pupil would benefit from advanced scholastic or vocational work that would thereby be available.

(c) Any pupil authorized to attend a community college as a special full-time student shall, nevertheless, be required to undertake courses of instruction of a scope and duration sufficient to satisfy the requirements of law.

(d) For purposes of allowances and apportionments from the State School Fund, a community college shall be credited with additional units of average daily attendance attributable to the attendance of special full-time students at the community college.

SEC. 3. Section 76001.5 of the Education Code is amended to read:

76001.5. The president of any community college may admit to the community college as a special full-time student any student who is eligible to attend community college pursuant to Section 48800.5, and who, in the opinion of the college president, could benefit from the course or class.

The attendance of a student at a community college as a special full-time student pursuant to this section is authorized attendance, for which the community college shall be credited pursuant to Section 48800.5.

SEC. 4. Section 84384.1 is added to the Education Code, to read:

84384.1. Notwithstanding any other provision of law, the unencumbered prior-year balance, as of June 30, 1986, of the Fund for Instructional Improvement-Grants, and of the unencumbered prior-year balance of the Fund for Instructional Improvement-Loans, is hereby reappropriated for purposes consistent with Sections 84382 and 84385, and shall be available for encumbrance until June 30, 1987.

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

In order for the changes made by this act to be applicable in the current fiscal year, it is necessary that this act take effect immediately.

CHAPTER 452

An act to add Section 25178.3 to the Health and Safety Code, relating to hazardous waste.

[Approved by Governor July 22, 1986 Filed with Secretary of State July 23, 1986]

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

SECTION 1. Section 25178.3 is added to the Health and Safety Code, to read:

25178.3. (a) The director shall notify the Republic of Mexico and every state which is contiguous to this state whenever any of the following occurs:

(1) Any hazardous wastes listed pursuant to Section 25140 is restricted as to land disposal in the state.

(2) A hazardous waste regulated under the Resource Conservation and Recovery Act of 1976, as amended (42 U.S.C. Sec. 6901 et seq.), is restricted as to land disposal in the state on a more accelerated schedule than that implemented by the Environmental Protection Agency.

(3) The state takes any other action to restrict wastes as to land disposal, including banning or increasing disposal fees on specific categories of hazardous waste.

(4) The department or a state or federal agency requires the closure of, or curtailment of operations at, any offsite hazardous waste land disposal facility currently operating pursuant to a grant of interim status issued pursuant to Section 25200.5 or a final permit issued pursuant to Section 25200.

(b) When providing a notice pursuant to subdivision (a), the director shall send a letter by registered mail to a public official in the Republic of Mexico and in each state who the director determines to have responsibility for hazardous waste regulation. The letter shall include all of the following:

(1) A description of the action taken in the state and documentation as to why this state felt it necessary to take the action to protect the public health and the environment.

(2) Specific information on treatment alternatives available to reduce, recycle, treat, or destroy the hazardous wastes affected by the action.

(3) The availability of the treatment capacity in this state, and the costs of that treatment.

(4) Information as to how the state or Mexico could develop comparable treatment systems.

(5) A statement that it is not the intent of the citizens of this state to transfer their hazardous waste problems to the Republic of Mexico or to other states.

CHAPTER 453

An act to amend Section 52167 of the Education Code, relating to education.

[Approved by Governor July 22, 1986. Filed with Secretary of State July 23, 1986]

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

SECTION 1. Section 52167 of the Education Code is amended to read:

52167. Except as provided in subdivision (b), in classes established pursuant to subdivision (a), (b), or (c) of Section 52165, not more than two-thirds nor less than one-third of the pupils shall be pupils of limited English proficiency. The remaining proportion of pupils in such class shall be pupils of fluent English proficiency. However, where there is documented evidence that these proportions cannot be met, the classroom proportions shall, at a minimum, reflect the proportion of the language proficiency classification for the particular grade level in the school and shall not result in segregation. Fluent-English-proficient pupils shall receive basic skills instruction in English and, to the extent possible, be achieving at the district norm.

In no event shall the primary purpose of the program be to teach a foreign language to English-speaking pupils.

The board shall adopt any necessary regulations governing this section within 90 days after January 1, 1981.

(b) The classroom proportion specified in subdivision (a) may be modified for the purpose of providing effective instruction for all pupils in core academic subjects. Pupils of limited English proficiency participating in programs established pursuant to subdivision (a), (b), or (c) of Section 52165 shall receive instruction for at least 20 percent of the schoolday in classes in which the proportions specified in subdivision (a) are met, and shall receive instruction in classes with pupils of fluent English proficiency for an increased portion of the schoolday, as their English language skills increase.